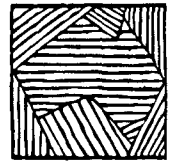


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THE AUSTRALIAN
FEDERATION
OF TRAVEL AGENTS
LIMITED

ABN 72 001 444 275

FILE No:
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MARS/PRISM:

13 April 2007

The General Manager
Adjudication Branch
The Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

By Email: adjudication@accc.gov.au

Dear Sir/Madam

Application for Authorisation A91036-A91040 lodged by Singapore Airlines Limited on behalf of the Star Alliance members

I refer to your letter of 21 March 2007.

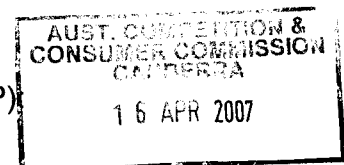
The Star Alliance Corporate Plus and Convention Plus programs were authorised in 2003 for a period of four years. Singapore Airlines on behalf of Star Alliance members now seek further authorisations.

AFTA previously lodged a submission to the ACCC in respect of the original application for authorisation of these programs. In that submission AFTA's position was that the anti-competitive detriment outweighed any public benefit provided by the programs. However, if the ACCC was mindful of granting authorisation then AFTA submitted that the ACCC should impose certain conditions. Those conditions were set out in paragraphs 8.7 to 8.10 of the AFTA submission.

The current applications seek to renew the authorisations for a period of five years. AFTA adopts the submissions provided to the ACCC in respect of the original applications. In particular, AFTA remains of the view that if authorisation was to be granted it should be subject to certain conditions as follows:

1. In respect of the Star Alliance Conventions Plus Programme (SACPP)

- (i) Agents be permitted to request Star Alliance members to submit proposals in respect of conventions for which agents have been appointed by convention



organisers to manage convention travel arrangements and that Star Alliance members be required to provide such proposals;

- (ii) Where Star Alliance has entered into an agreement under the programme, agents should have access to the event code and thereby be entitled to access the special convention fare offer and to issue air tickets to delegates and receive remuneration accordingly;

2. In respect of the Star Joint Corporate Agreement (SJCA):

- (i) Corporate clients which choose to accept a bid by Star Alliance members should be able to nominate an agent or agents to process the travel arrangements for remuneration;
- (ii) Agents should be entitled to request and receive a joint bid on behalf of corporate clients, and if accepted by the clients, to issue tickets or otherwise make the travel arrangements on behalf of the corporate client and to receive remuneration for the work undertaken.

3. In respect of the SACPP and SJCA any joint bids should have a time limit for acceptance failing which they lapse.

AFTA opposes a period of authorisation of five years and believes the renewed authorisation period should be no longer than three years. The business of international airlines is undergoing a fundamental change in which value based airlines (VBA) are expanding into markets traditionally held by full service airlines. At the same time full service airlines are diversifying and creating VBA subsidiaries or entering into ventures with VBAs. A longer period of authorisation in such a volatile market would not be appropriate in the context of the concerns AFTA raises on behalf of its members.

Yours faithfully,



Mike Hatton
Chief Executive Officer