



6 July 2007

Ms Isabelle Arnaud
Director
Adjudication
Australian Competition & Consumer Commission
470 Northbourne Ave
Canberra ACT 2002
E-mail: isabelle.arnaud@acc.gov.au

Dear Ms Arnaud

Star Alliance Application for Authorisation A91036–A91040 – Draft Determination

We refer to your letter of 20 June 2007, enclosing the Commission's draft determination in respect of the Star Alliance's application for authorisation of its Corporate Plus and Convention Plus programs (Draft Determination).

We have reviewed the Draft Determination and, whilst Qantas does not agree with all of the claims made by the Star Alliance, Qantas does not oppose the Star Alliance applications on the basis that **oneworld** airlines should also be able to conduct joint corporate dealing in the future.

We understand that any future application for authorisation of **oneworld** joint corporate dealing would be considered on its own merits; however, we would like to reiterate the importance of maintaining a level playing field.

As we outlined in our submission of 27 April 2007, Qantas does not agree that absent authorisation the Star Alliance cannot offer arrangements competitive with **oneworld**. Qantas' domestic passengers can always elect to fly internationally with any other airline – they are not "off limits" to Star Alliance carriers. Further, Star Alliance carriers can offer interline travel with Virgin Blue (who is not associated with any of the global marketing alliances) and, shortly, Tiger Airways Australia (a subsidiary of Tiger Airways Pte Ltd, in which Singapore Airlines owns a 49% stake).

As a consequence of the Star Alliance's joint corporate dealing, corporate customers may increasingly wish to tender for their corporate travel accounts on an "alliance" basis. Therefore, to compete with the Star Alliance Corporate Plus and Convention Plus programs, the **oneworld** airlines may be required to adopt a similar joint corporate dealing methodology in the future.

Please do not hesitate to contact me (on 02 9691 5799) if you have any questions.

Yours sincerely

Jill Henderson
Deputy General Counsel – Competition

Qantas Airways Limited

ABN 16 009 661 901

203 Coward Street Mascot New South Wales 2020 Australia
Telephone 61 (2) 9691 5417 Facsimile 61 (2) 9691 5799