



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2009/1316
Contact Officer: Clare McGinness
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13 August 2009

Simon Snow
Partner
Gilbert + Tobin
Level 37, 2 Park Street
SYDNEY NSW 2000

Dear Mr Snow

**Virgin Blue Airlines Pty Ltd & Ors
– applications for authorisation A91151-A91152 and A91172-A91173**

I refer to the above applications for authorisation lodged with the Australian Competition and Consumer Commission (the ACCC) on 9 July and 24 July 2009.

In order to assist the ACCC assess the public benefits and public detriments arising from the proposed arrangements, it would be useful if the applicants could provide the following information:

1. Business plans, Board papers and any other information from Virgin Blue and Delta Air Lines Inc (Delta) which informed their respective decisions to commence services on Trans-Pacific routes between Australia and mainland United States.
2. Information about the financial performance of the respective services currently offered by Virgin Blue and by Delta on Trans-Pacific routes between Australia and mainland United States, including:
 - (a) total revenue, total expenditure and net profit
 - (b) revenue per available seat kilometre (RASK)
 - (c) cost per available seat kilometre (CASK).
3. Business plans, Board papers and any other information from Virgin Blue and Delta which informed their respective decisions to seek to enter into a commercial relationship with each other to offer services on Trans-Pacific routes between Australia and mainland United States.

4. Any forecasts or analysis that Virgin Blue and Delta have undertaken independently in relation to the likely effect of the proposed commercial arrangement on Trans-Pacific routes between Australia and mainland United States, including any effects on RASK, CASK, prices to consumers and scheduling of flights.
5. Further information/explanation of the applicants' proposed counterfactual, in particular outlining their respective strategies?

I note that the applicants have filed a number of documents with the U.S. Department of Transportation which have been withheld from public disclosure on the basis that they 'contain highly sensitive commercial information relating to international strategy performance and planning.' It may be the case that these documents address many of the issues set out in the questions above.

I recognise that much of this information is likely to be commercially sensitive. As you are aware, your clients may request that information included in a submission relating to an authorisation be excluded from the public register. As with any exclusion request, you will need provide the ACCC with reasons justifying the claim for the information to be excluded.

I would be grateful if you could provide this information by **5.00pm on Wednesday 26 August 2009**.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Darrell Channing on (02) 6243 4925 or Clare McGinness on (02) 6243 1049.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch