



**Australian
Competition &
Consumer
Commission**

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Our Ref: A91247 & A91248
Contact Officer: Lauren Roy
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1 September 2010

Dear Sir or Madam

**Virgin Blue Airlines Pty Ltd & others applications for authorisation A91247 & A91248
- interested party consultation**

The Australian Competition and Consumer Commission (the ACCC) has received an application for authorisation from Virgin Blue Airlines Pty Ltd, Virgin Blue International Airlines Australia Pty Ltd, Pacific Blue Airlines (Aust) Pty Ltd, Pacific Blue Airlines (NZ) Limited, Velocity Rewards Pty Ltd (together Virgin Blue) and Etihad Airways (Etihad). The ACCC invites you to comment on the application. Attached is a summary of the authorisation process including how to make a submission to the ACCC.

Virgin Blue and Etihad are seeking authorisation for a proposed alliance, which will include:

- a commercial cooperation agreement
- associated code share agreements
- a frequent flyer agreement
- a reciprocal lounge agreement.

Under the alliance, Virgin Blue and Etihad have agreed to cooperate on joint pricing and scheduling of services between Australia and Abu Dhabi.

A full copy of the application for authorisation is available on the ACCC's website at www.accc.gov.au/AuthorisationsRegister. Alternatively, you can contact Lauren Roy on (03) 9290 1823 or David Seccombe on (02) 6243 1394 to obtain a hard copy of the application and submission.

Interim authorisation

Virgin Blue and Etihad have requested interim authorisation for the proposed alliance.

The ACCC endeavours to deal with requests for interim authorisation quickly. In making an assessment as to whether it is appropriate to grant interim authorisation, the ACCC is not required to undertake a full assessment of the benefit and detriment likely to arise as a result

of the proposed conduct.

The ACCC decides whether to grant interim authorisation on a case by case basis. Should an applicant request interim authorisation, the ACCC will usually consider a range of factors, including harm to the applicant and other parties if interim is or is not granted, possible benefit and detriment to the public, the urgency of the matter and whether the market would be able to return to substantially its pre-interim state if the ACCC should later deny authorisation.

Request for submissions

The ACCC invites you to make a submission on the likely public benefits and effect on competition, or any other public detriment, from the proposed arrangements.

Submissions in relation to interim authorisation should be provided by **9 September 2010**.

If you intend to provide a submission in relation to Virgin Blue and Etihad's application for authorisation, please do so by **22 September 2010**.

Alternatively, if you would like to provide comments orally, please contact Lauren Roy on (03) 9290 1823 or David Seccombe on (02) 6243 1394 to organise a suitable time.

Submissions, including oral submissions, will be placed on the ACCC's public register subject to any request for exclusion (guidelines are attached).

Timetable

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable is set out below for your information.

27 August 2010	Lodgement of application and supporting documentation.
1 September 2010	Public consultation process begins.
9 September 2010	Closing date for submissions on interim authorisation.
September 2010	ACCC decision regarding interim authorisation.
22 September	Closing date for submissions from interested parties.
October 2010	Applicant responds to issues raised in the public consultation process.
November/December 2010	Draft determination.


December 2010	Public consultation on draft determination including any conference if called.
January/February 2011	Final determination.

Please advise if you do not wish to make a submission at this time, but would like to be informed of the progress of the applications at the draft and final determination stages. If you are able to please provide a nominated contact email address for future correspondence.

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding the applications.

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 Lauren Roy on (03) 9290 1823 or David Seccombe on (02) 6243 1394.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch

**Interested parties for consultation regarding application for authorisation
A91237 by Virgin Blue and Etihad**

Activair Australia
Adelaide Airport
Aerolineas Argentinas
AFS Projects and Logistics
Air Canada
Air China
Air New Zealand
Air Niugini
Air Vanuatu
AirAsia X
Aircalin
Alice Springs Airport
Ambassador Cargo Management
American Airlines
American Express International
Asiana Airlines
Asiana Cargo
Australian Air Express
Australian Airports Association
Australian and International Pilots Association
Australian Chamber of Commerce and Industry
Australian Consumers Association
Australian Federation of Air Pilots
Australian Federation of International Forwarders
Australian Federation of Travel Agents
Australian Services Union
Australian Tourism Export Council
Avalon Airport Australia
Board of Airline Representatives of Australia
Brisbane Airport Corporation
BTi Logistics
Cairns Airport
Canberra Airport
Cargolux Airlines International
Cathay Pacific Airways
Centre for Asia Pacific Aviation
China Airlines
China Southern Airlines
Christmas Island Airport
Cocos (Keeling) Islands Airport

Coffs Harbour Airport
Concorde International Travel
Consolidated Travel Group
Consumer Action Law Centre
Continental Airlines
Darwin International Airport
Delta Air Lines
Department of Infrastructure, Transport, Regional Development and Local Government
Dubbo City Airport
EgyptAir
Emirates
FedEx
Flight Centre Limited
Garuda Indonesia
Gold Coast Airport
Gulf Air
Harvey World Travel
Hobart International Airport
Horn Island Airport
International Air Services Commission
International Air Transport Association
Japan Airlines
Kalgoorlie-Boulder Airport
Katherine-Tindal Airport
KLM Royal Dutch Airlines
Korean Air
LAN Airlines
Launceston Airport
Learmonth Airport
Lord Howe Island Airport
Lufthansa German Airlines
Melbourne Airport
Newcastle Airport Limited
Norkolk Island Airport
Northwest Airlines
Pakistan International Airlines
Perth Airport
Philippine Airlines
Polynesian Airlines
Port Hedland Airport
Qantas Airways
Regional Express Airlines

Rockhampton Airport
Singapore Airlines
Skywest Airlines
Solomon Airlines
South African Airways
STA Travel
Sydney Airport Corporation
Thai Airways
Tiger Aviation

Tourism Australia
Townsville Airport
TTF Australia
United Airlines
UPS
Vietnam Airlines
Webjet
West Australian Tourism Commission