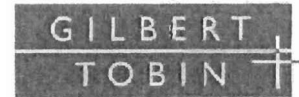


Partner Luke Woodward
Contact Louise Klamka
T +61 2 9263 4371
lklamka@gtlaw.com.au
Our ref LXW:LXK:1008793



L A W Y E R S

17 September 2010

By email

Richard Chadwick, General Manager, Adjudication Branch
Australian Competition & Consumer Commission
23 Marcus Clarke Street
CANBERRA ACT 2601
AUSTRALIA

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Public register version

Dear Richard

Virgin Blue and Air New Zealand - Applications for Authorisation

We refer to your letter of 10 September 2010 which enclosed the Draft Determination and set out the next steps in this matter. You have requested that the Applicants provide submissions in response to the Draft Determination by Friday 24 September 2010.

As discussed with Darrell Channing, the Applicants request further time to enable them to address the issues raised in the Draft Determination including to consider the econometric fare analysis undertaken by the ACCC and to respond to the ACCC's invitation to provide further information. Accordingly, the Applicants ask that the deadline for submissions be extended to 11 October 2010.

The Applicants would also like to meet with the Commission in response to the ACCC's invitation to provide further information in relation to certain issues raised in the Draft Determination. Much of the information requested is confidential to Virgin Blue and/or Air New Zealand and would be best communicated in such a meeting. The Applicants will also fully participate in appropriate public consultation processes.

To allow the ACCC sufficient time to consider the Applicants' submissions and to engage in further public consultation, the Applicants suggest and would consent to an extension of the final authorisation decision date, pursuant to section 90(10A) of the *Trade Practices Act 1974*.

Enclosed is a suggested revised timeline which allows for the requested extension to the deadline for submissions and accommodates meetings between and ACCC and the Applicants, further public consultation and, if called, a pre-decision conference. Under the suggested revised timeline, the final decision date would be extended to 20 December 2010.

ALLIANCES:

BLAKISTON & CRABB
LAWYERS

PERTH

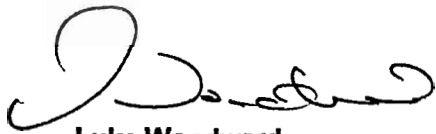
金杜律師事務所
KING & WOOD
PRICED LAWYERS
CHINA

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Please contact us if you would like to discuss.

Yours sincerely,



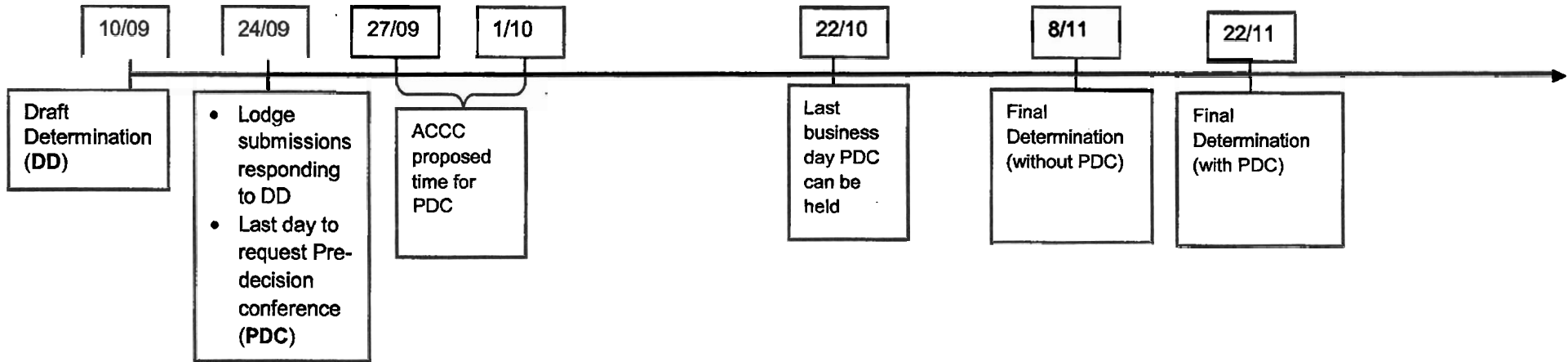
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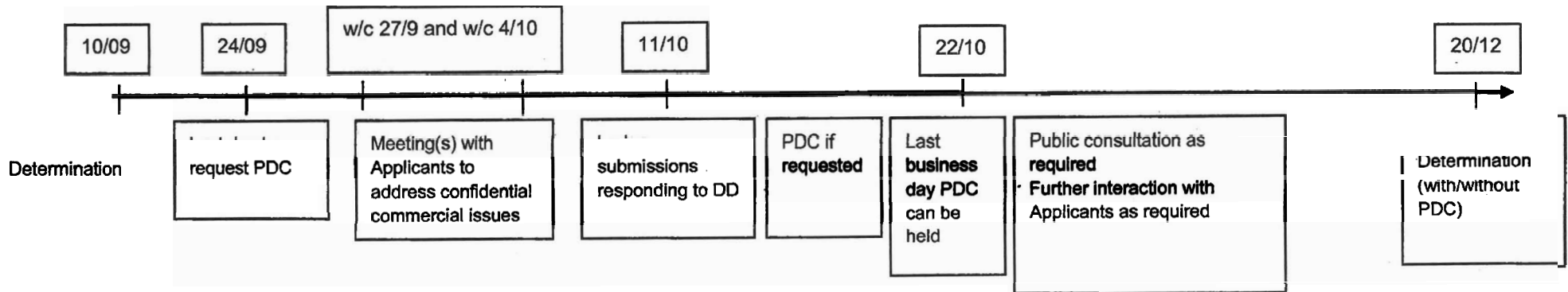
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Attachment - Suggested revised timeline

Current ACCC Timeline



Applicants' Proposed Timeline





**Australian
Competition &
Consumer
Commission**

Our Ref: C2010/452-04
Contact Officer: Jessica Buik
Contact Phone: 02 6243 4940

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Canberra ACT 2601
23 Marcus Clarke Street
Canberra ACT 2601
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22 September 2010

Mr Luke Woodward
Partner
Gilbert + Tobin
GPO Box 3810
SYDNEY NSW 2001

Via e-mail: lklamka@gtlaw.com.au

Dear Mr Woodward

**Authorisation Applications A91227 & A91228 submitted by Virgin Blue Airlines Pty Ltd
& Ors – request for extension to be granted under section 90(10A)**

I refer to the above applications for authorisation lodged with the Australian Competition and Consumer Commission (the ACCC) on 6 May 2010 and to your request on 17 September 2010 that the ACCC extend the relevant period for the ACCC to consider the applications.

As you are aware, the *Trade Practices Act 1974* (the Act) provides that if the ACCC does not determine an application for authorisation within the relevant period, then it is taken to have granted the application at the end of that period. The relevant period in relation to Virgin Blue Airlines Pty Ltd & Ors' application ends on 6 November 2010.

Section 90(10A) of the Act provides that the relevant period may be extended where:

- the ACCC has prepared a draft determination under subsection 90A(1) in relation to the application

the ACCC determines in writing that the period is extended by a specified period of not more than six months

the applicant agrees to the period being so extended.

The purpose of this letter is to advise you that in accordance with subsection 90(10A)(b) of the Act the ACCC has determined that the relevant period for consideration of Virgin Blue Airlines Pty Ltd & Ors' applications has been extended until **Monday, 20 December 2010** and to seek the applicants' agreement that the relevant period is so extended.

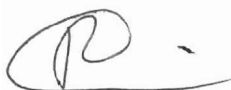
You have indicated that the applicants require further time to enable them to address the issues raised in the draft determination and to respond to the ACCC's invitation to provide further information. To enable the ACCC to consider the information and to consult with interested parties, if necessary, can you please provide the further information by **Monday, 11 October 2010**.

To enable the request for extension of the relevant period for the ACCC to consider the applications to be dealt with expeditiously, I would appreciate receiving your response to this letter by **Tuesday, 28 September 2010**.

A copy of this letter will be 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 Jessica Buik on 02 6243 4940.

Yours sincerely

A handwritten signature in black ink, appearing to be 'R. Chadwick', written over a light grey rectangular background.

Dr Richard Chadwick
General Manager
Adjudication Branch