
Dear Luke / Louise / Morelle

In reviewing the application for authorisation of the proposed alliance between Virgin Blue and Etihad, certain factual questions have emerged. It would be useful if information could be provided regarding the following questions:

1. What are the various airlines in which Virgin Group Limited has a financial interest that compete with Etihad on any route in the world? Please identify entity (e.g. Virgin Atlantic, AirAsiaX, Air Nigeria, Virgin America, Virgin Blue, Pacific Blue, Polynesian Blue and V Australia) and routes on which they overlap with Etihad.
2. Please detail the legal and commercial relationships between Virgin Blue Holdings Ltd and each of the other airlines around the world in which Virgin Group Limited has a financial interest (including Virgin Atlantic, AirAsiaX, Air Nigeria, Virgin America and any others). Please identify and describe the areas in which the commercial interests of Virgin Blue and any other Virgin entity are aligned or joint. What are the terms of the "partnership" between Virgin Blue and/or V Australia and Virgin America and Virgin Atlantic that V Australia claims on its website?
3. How many V Australia passengers connect to/from a Virgin Atlantic flight originating from Europe? What proportion of total V Australia passengers do these passengers represent? What proportion of these passengers travel beyond international gateway destinations in Australia on a Virgin Blue flight?
4. Market share information:
 - What is the Alliances' expected share of the trans Australia-Europe market and the trans UAE-Europe market?
 - What is Virgin Atlantic's share of the trans Asia-Europe market?
 - What share of the global market do airlines in which Virgin Group Ltd has a financial interest account for?
5. What stimulatory effect on passenger demand for services to/from Australia, if any, did Etihad observe under the Etihad-Qantas Alliance to date? What stimulatory effect on foreign tourism to Australia, if any, has Etihad observed under the Etihad-Qantas Alliance to date?
6. The applicants have provided a power point presentation of InterVISTAS modelling results, with very little information about the methodology that InterVISTAS has used. Please provide a full explanation of the InterVISTAS methodology, including results of any sensitivity analysis undertaken by InterVistas and details about the general market that was used to calibrate the model for this simulation (and reasons why this was considered appropriate).
7. What is the source of the data presented at Annexure E (Scheduled International air travel to/from Australia)?
8. In relation to the applicants' description of Virgin Blue's commercial rationale (page 10), please identify the overlap in points of origin/destination served under the current Virgin Blue-Virgin Atlantic partnership and the proposed Virgin Blue-Etihad Alliance.
9. In relation to the applicant's description of Etihad's commercial rationale (page 12), please identify the overlap in points of origin/destination served under the current Etihad-Qantas Alliance and the proposed Etihad-Virgin Blue Alliance.

10. The application states that the proposed alliance will not relevantly affect international freight markets. Please advise whether Etihad provides international freight transport services between Australia and the Middle East or Europe.

Please provide this information by close of business on 28 October 2010. Please let me know if you need to clarify any of these questions or need more information.

This email has been placed on the public register.

Regards,

David Seccombe
Project Officer
Adjudication Branch
Australian Competition & Consumer Commission
Tel: (02) 6243 1394 Fax: (02) 6243 1047