



**Australian
Competition &
Consumer
Commission**

Our Ref: C2010/452
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25 October 2010

Mr Trent Mumford
Public Affairs Manager, Public Affairs
Emirates Airline
Emirates Group Headquarters
PO Box 686
Dubai UAE

by e-mail: Trent.Mumford@emirates.com

Dear Mr Mumford

Authorisation Applications A91227 & A91228 submitted by Virgin Blue Airlines Pty Ltd & Ors

As you would be aware, the ACCC recently issued a draft determination proposing to deny authorisation for a proposed alliance between Virgin Blue Airlines Pty Ltd and Air New Zealand Limited in relation to air passenger services between Australia and New Zealand.

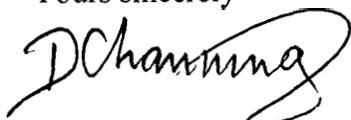
Further to your discussion with Prudence Smith and Teresa Nowak of this office, in order to assist with its assessment of the applications for authorisation, the ACCC would be grateful for Emirates response to the issues set out in the attachment to this letter. As discussed, ACCC staff would also appreciate the opportunity for a teleconference with you to discuss this matter, and look forward to hearing from you regarding your availability next week.

Authorisation is a transparent process and submissions (including oral submissions) are placed on the ACCC's public register, subject to any request for exclusion. The ACCC understands that Emirates may consider the data referred to in the attached document to be commercially and competitively sensitive. In this regard, please be assured that section 89 of the *Trade Practices Act 1974* provides a framework by which a party is able to claim confidentiality with respect to documents furnished to the ACCC in relation to an application for authorisation without the ACCC being required to place that material on the ACCC's public register. I have attached the relevant guidelines should you wish to request that the information Emirates provides, or any part thereof, be excluded from the public register.

A copy of this letter, excluding questions 1, 3 and 4, 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 me on 02 6243 4925 or Teresa Nowak on 02 6243 1239.

Yours sincerely

A handwritten signature in black ink that reads "DChanning". The signature is written in a cursive style with a large, sweeping initial "D" and a long, horizontal flourish at the end.

Darrell Channing
Director
Adjudication Branch

ACCC - Request for information from Emirates

The ACCC understands that Emirates carries two types of passengers between Australia and New Zealand:

- Passengers who are travelling between Australia and New Zealand only (trans-Tasman passengers)
- Passengers who are travelling between overseas ports (such as Dubai) to Australia and then New Zealand (international passengers).

For the purposes of assessing the proposed alliance, the ACCC is interested in the total number of trans-Tasman passengers (by route) Emirates carriers and the total number of seats that Emirates can make available to trans-Tasman passengers (by route) (trans-Tasman capacity). The ACCC is particularly interested in Emirates trans-Tasman load factors (by route), which we have defined as follows.

Emirates trans-Tasman load factor =
[Emirates trans-Tasman passengers] divided by
[Emirates seat capacity less Emirates international passengers]

where trans-Tasman and international passengers are as defined above.

With this in mind, could Emirates please provide the following information

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1.

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Emirates aircraft on AKL-BNE

2. The alliance partners have stated that Emirates will, in the near future, be up-gauging its aircraft from A340 to B777 on the AKL-BNE route. The ACCC would appreciate information from Emirates as set out below:

- (a) Whether the alliance partners claims are correct
- (b) Details of the planned changes in aircraft on the AKL-BNE route, including when the changes will occur, the expected increase in total seats and the anticipated increase in the number of seats available for trans-Tasman passengers.

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3.

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4.

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