



**Australian
Competition &
Consumer
Commission**

GPO Box 3131
Canberra ACT 2601

23 Marcus Clarke Street
Canberra ACT 2601

tel: (02) 6243 1111
fax: (02) 6243 1199

www.accc.gov.au

Our Ref: C2011/1020
Contact Officer: Imogen Hartcher-O'Brien
Contact Phone: (02) 6249 1049

10 May 2012

Dear Sir/Madam

Virgin Australia and Skywest Airlines applications for authorisation A91287 and A91288 - determination

The Australian Competition and Consumer Commission (the ACCC) has issued a final determination in respect of the application for authorisation lodged by Virgin Australia and Skywest Airlines on 8 December 2011.

Virgin Australia and Skywest Airlines have sought authorisation to make, and give effect to, their Corporate Alliance Framework Agreement, Frequent Flyer and Lounge Agreement and Joint Sales Agreement (together the 'Corporate Alliance'). The Corporate Alliance will enable the applicants to jointly offer and supply an integrated air travel offer to corporate customers, comprising charter services, domestic (i.e. intra-state and inter-state) regular public transport (RPT) services, international RPT services, the use of Virgin Australia's airport lounges and the ability to accrue Virgin Velocity status credits on Skywest flights. The Corporate Alliance does not extend to air cargo services.

The applicants propose to coordinate tendering, contracting, pricing and flight scheduling to the extent they form part of the integrated service offering to corporate customers.

A copy of the ACCC's determination is attached, including a summary of its reasons. For the reasons set out in its determination, the ACCC has decided to grant authorisation for 5 years. The ACCC's assessment is set out in Chapter 4 of its determination.

Application for review

Pursuant to section 101 of the *Competition and Consumer Act 2010*, a person dissatisfied with this determination may apply to the Australian Competition Tribunal for its review. An application for review must be made within 21 days of the date of this determination; that is, on or before 31 May 2012. If no application to review is lodged by this date, the ACCC's determination will come into force on 1 June 2012.

An application for review of the ACCC's determination should be lodged directly with the Australian Competition Tribunal. The Australian Competition Tribunal is a separate body from the ACCC and is located within the Federal Court of Australia.

For further information about the process involved in reviewing decisions in the Australian Competition Tribunal please refer to the tribunal's website located at <http://www.competitiontribunal.gov.au/>.

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 Imogen Hartcher-O'Brien on (02) 6249 1049.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'R Chadwick', with a horizontal line extending to the right.

Richard Chadwick
General Manager
Adjudication Branch

**A91287 & A91288 - Virgin Australia and Skywest Airlines – authorisation applications -
final determination**

Gold Airways Ltd