

Our Ref: RHW: 214603

15 June 2012

Richard Chadwick
General Manager, Adjudication Branch
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

By email

Dear Mr Chadwick

**Star Alliance - Authorisation applications A91300 - A91306
Application for interim authorisation**

I refer to our recent discussions with Ms Megan Cunningham. I understand from Megan that the Commission is hopeful of issuing a final determination in relation to authorisation applications A91300 - A91306 (**current authorisation applications**) before the applicants' existing authorisations expire on 9 August 2012. Nevertheless, we understand that the Commission is not in a position to guarantee this.

As noted in the applicants' supporting submissions, during the course of the last year the applicants entered into some [CONFIDENTIAL INFORMATION DELETED] Corporate Plus contracts providing alliance based discounts to corporations for travel from Australia. In addition, the applicants are engaging in ongoing negotiations around the world to grant discounts pursuant to their Conventions Plus program. If authorisation were to be lost between 9 August 2012 and the date of any final determination on the current authorisation applications (**proposed interim authorisation period**), the applicants would be unable to legally give effect to any of these contracts in Australia during that period.

This would require at least the following actions:

- (a) each of the applicants would need to identify Corporate Plus and Conventions Plus contracts affected by the loss of authorisation. These customers would need to be contacted and advised that, from 9 August 2012, Star Alliance members would not be able to give effect to these negotiated group contracts;
- (b) Each carrier would separately need to implement systems to ensure that Corporate Plus and Conventions Plus fares were not sold during the interim authorisation period;
- (c) During the proposed interim authorisation period, customers would either need to pay more for their travel or negotiate alternative discount arrangements on a carrier by carrier (or ticket by ticket) basis;
- (d) Assuming the current authorisation applications are ultimately approved, further notices subsequently need to be sent to each customer advising them that their negotiated discounts could again be honoured.

This process would be likely to cause substantial inconvenience to both the applicants and their affected customers. In addition, it would have potential to significantly damage the applicants' relationships with many of their most valuable customers.

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Accordingly, on behalf of the members of the Star Alliance, Air New Zealand requests that the Commission grant interim authorisation to the arrangements described in the current authorisation applications for the proposed interim authorisation period. This would amount to no more than a continuation of arrangements that have now been operating for over 8 years without evidence of any detriment. The applicants therefore submit that there is little or no risk that granting interim authorisation as requested would give rise to any material detriment.

If the Commission would like any further information in order to consider this request for interim authorisation, please do not hesitate to contact me.

Yours sincerely
HWL Ebsworth



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Partner

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