



NICK XENOPHON
Independent Senator for South Australia
AUSTRALIAN SENATE

Our ref: NC-ACC/KN

Dr Richard Chadwick
General Manager - Adjudication Branch
Australian Competition & Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

BY EMAIL: adjudication@accc.gov.au

Dear Dr Chandwick

I make the following submissions on the draft determination proposing to re-authorise Qantas and American Airlines to continue to coordinate their operations on trans-Pacific routes for a further five years.

I would be grateful for the opportunity to be heard before the ACCC in relation to this inquiry. In particular, I am concerned that:

- the alliance will reduce competition in the market place. Whilst not a merger as such, alliances constrain both airlines from competing in the market place; and
- fuel surcharges may be higher where airlines are part of an alliance, resulting in higher fares for customers. I have previously raised concerns fuel surcharges are not reflective of the cost of fuel, particularly with the significant increase in fuel prices over the past 18 months.

Yours sincerely

NICK XENOPHON

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