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Dear Interested Party

BP Australia Pty Ltd & Ors applications for authorisation A91580, A91581 & A91582—interested party consultation

The Australian Competition and Consumer Commission (the ACCC) has received applications for authorisation from BP Australia Pty Ltd & Ors. The ACCC invites you to comment on the applications. Attached is a <u>summary</u> of the authorisation process including how to make a submission to the ACCC.

Background

BP plans to enter into an ongoing partnership with Woolworths in relation to convenience stores at service stations, the Woolworths Rewards loyalty program and the Woolworths shopper docket discount scheme. This partnership is related to BP's proposed acquisition of Woolworths' network of service stations - which is currently being reviewed separately by the ACCC.

BP, BP resellers (independent dealers, distributors, or other site operators that re-sell fuel under the BP brand) and Woolworths (**the Applicants**) seek authorisation for conduct that preserves the availability of the Woolworths Rewards loyalty program and Woolworths shopper docket discount scheme at the Woolworths sites to be acquired by BP, and extends those offers to certain BP and BP reseller sites.

The Applicants seek authorisation to implement BP's and BP resellers' participation in the Woolworths Rewards loyalty program and Woolworths shopper docket discount scheme, including:

- arrangements relating to the fuel discounts and other benefits to be provided to consumers under the Woolworths Rewards loyalty program and Woolworths shopper docket discount scheme:
- BP and BP resellers supplying benefits to consumers on the condition that they acquire loyalty program services from Woolworths, and/or goods or services from Woolworths Group retail outlets or other nominated retailers; and
- a requirement that BP resellers that participate in the Woolworths Rewards loyalty program and/or Woolworths shopper docket scheme do so on the condition that they do not participate in a competing loyalty program or shopper docket discount scheme (as relevant).

In the event that BP does not take possession of some Woolworths sites immediately, the Applicants have sought authorisation for arrangements between BP and Woolworths in relation to fuel discounts and other benefits to be provided to consumers, exclusivity

obligations, and fuel price competitiveness requirements that may raise potential cartel conduct and exclusionary provision concerns.

The applications for authorisation were lodged on 28 April 2017, and revised forms and further information were submitted on 10 May 2017 to clarify aspects of the application and supporting submission.

A full copy of the applications for authorisation are available on the ACCC's website www.accc.gov.au/AuthorisationsRegister. Alternatively, you can contact Natalie Morton on (02) 6243 3003 to obtain a hard copy of the application and submission.

Request for submissions

The ACCC invites you to make a submission on the likely public benefits and effect on competition, or any other public detriment, from the proposed arrangements.

If you intend to provide a submission in relation to BP Australia Pty Ltd & Ors applications for authorisation, please do so by **1 June 2017**. Submissions should be emailed to adjudication@accc.gov.au with the subject 'A91580, A91581 & A91582 – BP Australia Pty Ltd & Ors – submission'.

Alternatively, if you would like to provide comments orally, please contact Natalie Morton on (02) 6243 3003 to organise a suitable time.

Submissions made in relation to the applications for authorisation, including oral submissions, will be placed on the ACCC's public register subject to any request for exclusion (quidelines are attached).

Merger review

If you wish to provide comment on the merger review of BP's proposed acquisition of Woolworths' retail petrol network, you may provide confidential submissions to bp-woolworths-petrol@accc.gov.au or alternatively you may contact Andrew Gallagher on (02) 9230 9129.

Timetable

There is a six month statutory timeframe for the ACCC to assess applications for authorisation. An indicative timetable of the ACCC's review of the application for authorisation is set out below for your information

28 April 2017	Lodgement of application and supporting submission. ¹
12 May 2017	Public consultation process begins.
01 June 2017	Closing date for submissions from interested parties.
June 2017	Applicant responds to issues raised in the public consultation process.
July/August 2017	Draft determination.
August 2017	Public consultation on draft determination including any conference if called. ²

¹ The applications for authorisation were lodged on 28 April 2017, and revised forms and further information were submitted on 10 May 2017 to clarify aspects of the application and supporting submission.

September/October 2017

Final determination.

Given the ACCC is currently reviewing BP's proposed acquisition of Woolworths' retail petrol network, the ACCC will, where possible, endeavour to align key decisions on the merger and authorisation applications. For more information about the merger review process please see the Public Register.

Please advise if you do not wish to make a submission at this time, but would like to be informed of the progress of the applications at the draft and final determination stages.

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding the applications.

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 Natalie Morton on (02) 6243 3003 or adjudication@accc.gov.au.

Yours sincerely

David Hatfield

Director

Adjudication Branch

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² Note that in the event a pre decision conference is called, the final determination will be delayed to account for the time between interested parties calling a conference and the date the conference is held.