



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC RE-AUTHORISES VIRGIN/DELTA TRANS-PACIFIC ALLIANCE

The Australian Competition and Consumer Commission has granted Virgin Australia (ASX: VAH) and Delta Air Lines authorisation to coordinate their operations between Australia and the United States for a further five years.

The alliance allows Virgin and Delta to offer a single integrated network, which includes services:

- between Australia and the US
- within the respective Australian and US domestic networks.

“The ACCC accepts this integrated network will likely be valued by travellers between Australia and the US,” ACCC Chairman Rod Sims said.

“Virgin and Delta operate return services between Sydney and Los Angeles, and Brisbane and Los Angeles—travellers use these key gateway points to then connect with other destinations. This is reflected in the growing number of passengers using such connecting services.”

“The alliance has also resulted in enhanced products and services including increased and better connections, access to each other’s flights and better schedule spread, loyalty program benefits, and improved lounge access.”

The enhanced products and services and single integrated network allows Virgin and Delta to compete more effectively with the incumbents on routes between Australia and the US.

The combined market share of Virgin and Delta on the key overlap route of Sydney to Los Angeles is around 37 per cent.

The applicants sought re-authorisation for a period of 10 years. The ACCC granted authorisation for five years due to the ongoing evolution of services on the trans-Pacific and the dynamic nature of the aviation industry.

Authorisation provides immunity from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act (2010). Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

The ACCC previously granted interim authorisation with its draft determination on 4 June 2015 and first authorised the coordination of arrangements between Virgin and Delta on 10 December 2009.

Further information will be available on the [public register](#).

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