



Australian  
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# NEWS RELEASE

## ACCC PROPOSES TO RE-AUTHORISE QANTAS – AMERICAN AIRLINES ALLIANCE

The Australian Competition and Consumer Commission has issued a draft determination proposing to re-authorise Qantas (ASX: QAN) and American Airlines to continue to coordinate their operations on trans-Pacific routes for a further five years.

Under the alliance, the airlines propose to continue coordination in respect of marketing and sales, freight, pricing, scheduling, distribution strategies including agency arrangements, yield and inventory management, frequent flyer programs, lounges, joint procurement, and product and service standards.

"The ACCC considers this alliance would be likely to result in continued public benefits for passengers travelling between Australia and the US through enhanced products and services including new frequencies and destinations, more online connections, better scheduling, greater loyalty program benefits and improved lounge access," ACCC Commissioner Dr Jill Walker said.

"The alliance is also likely to promote competition between other airlines that provide services on trans-Pacific routes."

"The ACCC considers that the alliance is unlikely to result in any significant public detriment, largely because the ACCC accepts that American Airlines would be unlikely to introduce its own trans-Pacific services in the absence of its alliance with Qantas," Dr Walker said.

The ACCC previously granted authorisation to Qantas and American Airlines on 29 September 2011.

The ACCC also granted interim authorisation on 9 July 2015 to facilitate the introduction of two new alliance services from December 2015. American Airlines will begin a service operating between Sydney and Los Angeles and Qantas will begin a service operating between Sydney and San Francisco.

The ACCC is seeking submissions from interested parties in relation to its draft determination, before making a final decision. Submissions are due by 18 December 2015.

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.

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

### Media inquiries

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**MR 237/15**

**27 November 2015**