



INTERNATIONAL AIR SERVICES COMMISSION

DECISION

DECISION: [2001] IASC 217
VARIATION OF: IASC/DET/9903
THE ROUTE: UNITED KINGDOM
THE APPLICANT: ANSETT INTERNATIONAL LIMITED
(ACN 060 622 460)
(ANSETT INTERNATIONAL)
PUBLIC REGISTER: IASC/APP/200116

1 The application

1.1 On 11 May 2001, Ansett International applied to the Commission for an allocation of 250 seats per week of third country code share capacity on the United Kingdom route. Ansett International intends to commence code sharing on ten Thai Airways services per week on a free sale basis. Ansett International already code shares on Singapore Airlines services between Australia and the United Kingdom.

1.2 The Commission published a notice on 18 May 2001 inviting submissions from interested parties about the Ansett International application. No submissions were received.

1.3 All non-confidential material supplied by the applicant is filed on the Register of Public Documents. Any confidential material supplied by the applicant is filed on the Commission's confidential register.

2 Provisions of relevant air services arrangements

2.1 A Memorandum of Understanding (MOU) dated 14 November 1996 in relation to the Air Services Agreement covering the Australia - United Kingdom route permits code sharing, blocked space or joint service arrangements and provides for the designated airline(s) of Australia to exercise fifth freedom rights between the United Kingdom and intermediate points, with the exception of those in the United States, Japan and China.

2.2 Under the MOU a designated airline or airlines of Australia may enter into code share arrangements with an airline or airlines of a third country to undertake services through blocked space arrangements or free sale arrangements (in accordance with the liberal interpretation provisions in the MOU) up to a total of 1,320 seats per week in each direction. At present there are 895 third country code share seats per week available for allocation.

3 Commission's assessment

3.1 When considering applications to vary determinations the Commission must determine whether the determination, as varied, would be of benefit to the public. Under paragraph 4 of the Minister's Policy Statement the use of Australian entitlements is of benefit to the public. For an established international carrier such as Ansett International this means that there is public benefit arising from the use of capacity.

3.2 The allocation sought by Ansett International could be achieved by a new determination or a variation of the existing determination which allocates third country code share capacity to Ansett International on the Australia – United Kingdom route. The Commission, with Ansett International's agreement, will process the application by a variation to the earlier determination.

4 Decision [2001] IASC 217

4.1 In accordance with section 24 of the Act, the Commission varies Determination IASC/DET/9903 as requested by Ansett International by:

adding 250 seats per week in each direction; and

adding the following conditions:

- “the capacity may be used by Ansett International to provide services jointly with Thai Airways in accordance with:
 - the Code Share Agreement between Ansett International and Thai Airways, subject to the finalised version of the Code Share Agreement being consistent with the draft Code Share Agreement provided to the Commission on 15 June 2001 and being approved by the Commission prior to the commencement of operations; and
 - the code share agreement as otherwise amended, with the prior consent of the Commission; or
 - any new joint service agreement between Ansett International and Thai Airways for operations on the United Kingdom route, whether or not it replaces the existing agreement, with the prior approval of the Commission;

subject to the following conditions:

- Ansett International must price and sell its services on the route independently of Thai Airways;
- Ansett International must not share or pool revenues; and.

- Ansett International must take all reasonable steps to ensure that passengers are informed of the carrier actually operating the flight at the time of booking;”

Dated: 19 June 2001

Ross Jones
Chairman

Michael Lawriwsky
Member

Stephen Lonergan
Member