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**SUBMISSION ON APPLICATION FOR AUTHORISATION OF THE JBA BETWEEN
BRITISH AIRWAYS AND QATAR AIRWAYS**

- 1 Christchurch International Airport Limited (*CIAL*) welcomes the opportunity to submit to the Ministry of Transport (*MOT*) on the application by British Airways Plc (*BA*) and Qatar Airways Q.C.S.C. (*QR*) (together, the *Airlines*) for authorisation under section 88 of the Civil Aviation Act 1990 (*CAA*) of their Joint Business Agreement (*JBA*) and related agreements (together, the *Alliance*), for a five-year term.
- 2 *CIAL*'s submission is based on our view of the principles we believe all alliance applications should meet and our analysis of the effects of the Alliance to date, and our review of the Airline's redacted application for authorisation to the *MOT*. A number of key aspects of that application remain confidential, including information in relation to whether an infringement of section 88(4) will occur as a result. Our submission should be read in that context.
- 3 *CIAL* recognises from time to time there will be market conditions in existence that necessitate the authorisation by the Minister of Transport (Minister) of airline alliances. *CIAL* has consistently adopted a principled position that where such conditions exist it is broadly supportive of alliances which, following a rigorous evaluation by *MoT* and key industry stakeholders, can demonstrate that the real and measurable public benefits outweigh any risk of public detriment. In that regard, we remind the *MoT* the "lack of any detrimental impact on competition" is not of itself the statutory test to be applied when considering whether to grant an authorisation under the *CAA*. Of particular interest to *CIAL* will always be the potential for real capacity growth demonstrated by the alliance and its regional distribution within New Zealand.
- 4 Before the *MoT* determines the Alliance to be in the public interest it should be able to demonstrate to interested persons it has satisfied itself the provisions of the *CAA* have been met including consideration of:
 - (a) whether conditions need to be imposed by the Minister, or assumed voluntarily by the Airlines, to ensure the public benefits claimed are delivered throughout the term of the Alliance, to all of the travelling

public and interested social and economic stakeholders across all of New Zealand.;

- (b) which of the claimed public benefits claimed by the Airlines accrue directly to passengers and members of the public and, are and will be delivered as a direct consequence of the Alliance;
- (c) any public benefits claimed in the Alliance application are not outweighed by the public detriment which results from the cumulative impacts of existing alliances the Airlines are a party to and which have been previously authorised by the Minister;
- (d) whether the current market dynamics are sufficiently similar to those in existence previously when determining the same counterfactual remains likely. In doing so the MoT will need to have regard to all counterfactuals that are a "real chance" of occurring;
- (e) whether an authorisation of the term sought is appropriate given the review of the CAA authorisation framework currently being undertaken.