



INTERNATIONAL AIR SERVICES COMMISSION

DECISION

DECISION: [2001] IASC 207
VARIATION OF: IASC/DET/9624, [2000] IASC 118, AND
[2000] IASC 120
THE ROUTE: ITALY
THE APPLICANT: QANTAS AIRWAYS LIMITED
(QANTAS) (ACN 009 661 991)

1 The application

1.1 On 13 February 2001, Qantas applied to the Commission to vary determinations IASC/DET/9624, [2000] IASC 118 and [2000] IASC 120 (the determinations). Under these determinations, Qantas has a total allocation of four weekly B747 or equivalent services per week on the Italy route. The carrier operates four B747 services per week between Melbourne/Sydney and Rome via Bangkok. Qantas and Alitalia propose to commence code sharing on these services on 26 March 2001.

1.2 Qantas also advised that Alitalia would be code sharing on certain domestic services within each country. This does not require the approval of the Commission.

1.3 The Commission published a notice on 15 February 2001 inviting submissions from interested parties about the application. No submissions were received.

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

2 Provisions of relevant air services arrangements

2.1 The Australia – Italy air services arrangements authorise code sharing between designated carriers of the two countries.

3 Commission's assessment

3.1 When considering applications to vary determinations the Commission must determine whether the determinations, 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 Qantas this means that there is public benefit arising from the use of capacity.

3.2 Pursuant to s.15(2)(e) of the Act, a carrier cannot use allocated capacity by providing services jointly with any other carrier without the prior approval of the Commission.

3.3 The Commission will vary the determinations as requested on the condition that a signed copy of the finalised Qantas/Alitalia code share agreement is provided to the Commission and approved by it, before services commence.

4 Decision [2001] IASC 207

4.1 In accordance with section 24 of the Act, the Commission varies Determinations IASC/DET/9624, [2000] IASC 118 and [2000] IASC 120, as requested by Qantas, by:

adding the following conditions:

- “the capacity may be used by Qantas to provide services jointly with Alitalia in accordance with:
 - the code share agreement, signed by Qantas and Alitalia, being approved by the Commission, with such additional conditions (if any) as the Commission may require, prior to code share services commencing; or
 - any subsequent code share agreement between Qantas and Alitalia for operations on the Australia-Italy route with the prior approval of the Commission; and
- under any code share agreement with Alitalia:
 - Qantas must price its services on the route independently;
 - Qantas must not share or pool revenues on the route; and
 - Qantas must take all reasonable steps to ensure that passengers are informed of the carrier actually operating the flight at the time of booking;”

Dated: 5 March 2001

Ross Jones
Chairman

Stephen Lonergan
Member

Michael Lawriwsky
Member