

**Christchurch International
Airport Limited**

**Submission to Commerce
Commission in Relation to
Draft Determination**

20 June 2003

- 1 This submission is written in response to the draft determination issued by the Commission on 10 April 2003.
- 2 The Commission envisages a less aggressive form of competition than contended for by Air New Zealand and Qantas in relation to their proposed counterfactual. Reference is made to paragraphs 275-300, particularly 288 and 300. Having given these paragraphs careful consideration, CIAL believes its original submission (14 February 2003) is correct. Reference is made to paragraphs 4 and 5. There, CIAL argued that under the factual and counterfactual the paths would converge in a relatively short time. In paragraph 7, CIAL argued that the best outcome would be the proposed Alliance but with specific conditions. That remains CIAL's position.
- 3 Air New Zealand has given undertakings to the ACCC re Freedom Air. In its earlier submission CIAL emphasised the importance of Freedom Air. At paragraph 15 it said:

“Freedom Air has some 10 services a week ex CIAL. The application is not clear as to the Alliance's proposals in relation to Freedom in the future. CIAL is anxious to ensure that Freedom Air continues to operate from CIAL as part of the Alliance.”

That remains CIAL's position. It is concerned that the undertakings (dated 9 May 2003) given by Air New Zealand to the ACCC, irrespective of their status in terms of the Commerce Act 1986, will result in substantial detriment to CIAL.
- 4 In its earlier submissions, paragraph 6, CIAL suggested it was unwise to assume there would be new entry, including VBA entry. Notwithstanding more recent announcements by Virgin Blue and Emirates, CIAL believes this position continues to hold true.

George Bellew
Chief Executive Officer
Christchurch International Airport Limited