

APPENDIX I

Response to Commerce Commission's Questions

COMMISSION PROCEDURES

1. **The Commission seeks comment on its approach of considering the two applications together.**

The Applicants agree with the Commission's approach in considering the two applications together. The Applicants refer the Commission to paragraphs 1 to 3 of Qantas' Section 67 Notice, filed 9 December 2002.

MARKET DEFINITION

2. **The Commission seeks comment on its market definitions.**

The Applicants do not agree with the Commission's preliminary market definitions. The Applicants refer the Commission to section 1.1 of chapter 7 entitled "Market Definition and Competitive Effects" (**Market Definition and Competitive Effects Chapter**), which deals with the definition of air passenger service markets, section 2.1 of the Market Definition and Competitive Effects Chapter, which deals with the definition of travel distribution services market and paragraphs 12.4 to 12.48 of Chapter 11 entitled "Freight Benefits" (**Freight Benefits Chapter**), which deals with the definition of freight markets.

COUNTERFACTUAL

3. **The Commission seeks comment on the financial viability of Air NZ in the near term.**

Air New Zealand does not believe that the Commission's preliminary views regarding its financial viability accurately reflect its true position. The Applicants refer the Commission to chapter 6 entitled "Confidential Counterfactual" (**Confidential Counterfactual Chapter**).

4. **The Commission seeks comment on its definition of the counterfactual.**

In the Applicants' view, the Commission's counterfactual is not the most likely future scenario absent the Alliance. The Applicants refer the Commission to chapter 5 entitled "Counterfactual" (**Counterfactual Chapter**), and the Confidential Counterfactual Chapter.

5. **The Commission seeks comment on the likelihood of the "war of attrition" counterfactual as proposed by the Applicants.**

The Applicants believe that a "war of attrition" of the form described in the Applications is the most likely counterfactual. The Applicants refer the Commission to the Counterfactual Chapter and the Confidential Counterfactual Chapter.

COMPARISON OF COMPETITION UNDER THE FACTUAL AND COUNTERFACTUAL

Main trunk market

- 6. The Commission seeks comment on the capital requirements of entry to the main trunk market and particularly seeks comment on whether the capital requirements constitute a barrier to entry to the market.**

The Applicants do not believe that capital requirements constitute a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that capital requirements constitute a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.50 to 3.55 of the chapter entitled "VBA Entry" (**VBA Chapter**) and paragraphs 25 to 30 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

- 7. The Commission seeks comment on the sunk costs of entry to the main trunk market and particularly seeks comment on whether the sunk costs constitute a barrier to entry to the market.**

The Applicants do not believe that sunk costs constitute a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that sunk costs constitute a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.56 to 3.62 of the VBA Chapter and paragraphs 31 to 33 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

- 8. The Commission seeks comment on the regulatory requirements of entry to the main trunk market and particularly seeks comment on whether the regulatory requirements constitute a barrier to entry to the market**

The Applicants do not believe that regulatory requirements constitute a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that regulatory requirements constitute a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.68 and 3.69 of the VBA Chapter.

- 9. The Commission seeks comment on the likely incumbent response to entry to the main trunk market and particularly seeks comment on whether the likely incumbent response would constitute a barrier to entry to the market.**

The Applicants do not believe that incumbent response to entry constitutes a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that incumbent response constitutes a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.84 to 3.114 of the VBA Chapter and paragraphs 34 to 56 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

- 10. The Commission seeks comment on the scale and scope required for entry to the main trunk market and particularly seeks comment on whether the scale and scope required constitute a barrier to entry to the market.**

The Applicants do not believe that scale and scope constitute a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that scale and scope constitute a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.78 to 3.83 of the VBA

Chapter and paragraphs 57 and 58 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

11. **The Commission seeks comment on availability of facilities required for entry to the main trunk market and particularly seeks comment on whether access to these facilities would constitute a barrier to entry to the market.**

The Applicants do not believe that availability of facilities constitutes a barrier to entry in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.66 and 3.67 of the VBA Chapter and chapter 14 entitled “Conditions Offered to the Commerce Commission” (**Conditions Chapter**).

12. **The Commission seeks comment on availability of travel distribution services required for entry to the main trunk market and particularly seeks comment on whether access to these services would constitute a barrier to entry to the market.**

The Applicants do not believe that availability of travel distribution services constitutes a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that availability of travel distribution services constitutes a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.70 to 3.72 of the VBA Chapter and paragraphs 77 and 78 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

13. **The Commission seeks comment on whether feeder traffic is required for entry to the main trunk market and particularly seeks comment on whether access to these services would constitute a barrier to entry to the market.**

The Applicants do not believe that availability of feeder traffic constitutes a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that availability of feeder traffic constitutes a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraph 3.48 of the VBA Chapter and paragraphs 64 to 70 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

14. **The Commission seeks comment on whether access to a CRS or GDS is required for entry to the main trunk market and particularly seeks comment on whether access to CRS or GDS would constitute a barrier to entry to the market.**

The Applicants do not believe that access to a GDS or CRS constitutes a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that access to a GDS or CRS constitutes a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraph 3.48 of the VBA Chapter and paragraph 63 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

15. **The Commission seeks comment on the availability of catering services required for entry to the main trunk market and particularly seeks comment on whether access to these facilities would constitute a barrier to entry to the market.**

The Applicants do not believe that the availability of catering services constitutes a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that the availability of catering services constitutes a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraph 3.48 of the VBA Chapter.

16. **The Commission seeks comment on whether loyalty schemes, either the presence of existing incumbent schemes, or a requirement to develop one, would constitute a barrier to entry to the main trunk market.**

The Applicants do not believe that loyalty schemes constitute a barrier to entry in the New Zealand main trunk market. In particular, the Applicants do not believe that loyalty schemes constitute a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.63 to 3.65 of the VBA Chapter and paragraphs 71 to 76 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

17. **The Commission seeks comment on whether the need to either have a recognised brand, or the requirement to develop a brand would constitute a barrier to entry to the main trunk market.**

The Applicants do not believe that the requirement to develop a brand constitutes a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraph 3.48 of the VBA Chapter and paragraphs 71 to 76 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

18. **The Commission seeks comment on whether the size of the main trunk market would constitute a barrier to entry to the market.**

The Applicants do not believe that the size of the New Zealand main trunk market constitutes a barrier to entry for Virgin Blue in the New Zealand main trunk market. The Applicants refer the Commission to paragraphs 3.66 to 3.70 of the VBA Chapter and paragraphs 59 to 62 of section 1.2.2 of the Market Definition and Competitive Effects Chapter.

19. **The Commission seeks comment on whether access to pilots or aircraft would constitute a barrier to entry to the market.**

The Applicants agree with the Commission's preliminary view that pilots and aircraft are both widely available. The Applicants refer the Commission to paragraph 3.48 of the VBA Chapter.

20. **The Commission seeks comment whether access to pilots or aircraft would constitute a barrier to entry to the market.**

See response to question 19 above.

21. **The Commission seeks comment on whether Virgin Blue is likely to enter the main trunk market under both the factual or counterfactual scenarios.**

The Applicants believe that Virgin Blue is certain to enter the New Zealand main trunk market on a sufficient scale to constraint on the Applicants. The Applicants refer the Commission to paragraphs 3.115 to 3.140 of the VBA Chapter.

22. **The Commission seeks comment on whether Origin Pacific would be likely to expand in the main trunk market under both the factual or counterfactual scenarios. Alternatively, the Commission seeks comment on whether Origin Pacific would be likely to retrench in the event that the proposed Alliance proceeded.**

The Applicants believe that Origin Pacific would be equally likely to expand in the main trunk market under both the factual and the counterfactual scenarios. The basis for this view is set out in Section 5 of the Counterfactual Chapter.

23. **The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the main trunk market when compared with the counterfactual.**

The Applicants believe that under the Alliance constraining VBA entry will occur and is in fact more likely to occur than under the counterfactual. The impact of this VBA entry on competition in the main trunk market will be significant and in this respect, the Applicants refer the Commission to paragraphs 3.141 to 3.163 of the VBA Chapter.

Provincial market

24. **The Commission seeks comment on the barriers to entry to the provincial market.**

The Applicants refer the Commission to paragraphs 3.39 to 3.41 of the VBA Chapter and section 1.2.2 of the Market Definition and Competitive Effects Chapter.

25. **The Commission seeks comment on whether Virgin Blue is likely to enter the provincial market under either the factual or counterfactual scenarios.**

The Applicants refer the Commission to paragraphs 3.39 to 3.41 of the VBA.

26. **The Commission seeks comment on whether Origin Pacific would be likely to expand or retrench in the provincial market under either the factual or counterfactual scenarios.**

The Applicants believe that Origin Pacific would be equally likely to expand in the main trunk market under both the factual and the counterfactual scenarios. If anything its opportunities under the factual scenario would be enhanced, with Virgin Blue entry onto the Tasman and domestic New Zealand routes.

The basis for this view is set out in Section 5 of the Counterfactual Chapter.

27. **The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the Provincial market when compared with the counterfactual.**

In the Applicants' view the Alliance will not lead to a substantial lessening of competition in the Provincial market. In this market, the Alliance will not result in any market aggregation because, except for codeshares on Origin Pacific, Qantas does not operate in this market. Accordingly, there will be no material impact in the market and Origin Pacific and Air New Zealand will continue to compete in the same manner as presently. The Applicants refer the Commission to paragraphs 291 to 298 of the Section 58 Application, dated 9 December 2002 and paragraphs 3.39 to 3.41 of the VBA Chapter.

Tasman market

28. The Commission seeks comment on the barriers to entry to the Tasman market.

The Applicants do not believe that there are any material barriers to entry or expansion in the Tasman market. The Applicants refer the Commission to paragraphs 3.42 to 3.114 of the VBA Chapter and section 1.2.2 of the Market Definition and Competitive Effects Chapter.

29. The Commission seeks comment on whether Virgin Blue is likely to enter the Tasman market under both the factual or counterfactual scenarios.

The Applicants believe that Virgin Blue is certain to enter the Tasman market on a sufficient scale to constrain the Applicants. The Applicants refer the Commission to paragraphs 3.115 to 3.140 of the VBA Chapter.

30. The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the Tasman market when compared with the counterfactual

The Applicants believe that under the Alliance constraining VBA entry will occur and is in fact more likely to occur than under the counterfactual. The impact of this VBA entry on competition in the main trunk market will be significant and in this respect, the Applicants refer the Commission to paragraphs 3.141 to 3.163 of the VBA Chapter, section 1.2.3 of the Market Definition and Competitive Effects Chapter and to chapter 6 entitled "Fifth-freedom Competition".

New Zealand – Asia market

31. The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition on some routes in the NZ-Asia market when compared with the counterfactual.

In the Applicants' view there is not a distinct NZ – Asia market. The Applicants refer the Commission to section 1.2.4 of the Market Definition and Competitive Effects Chapter. In any event, the Applicants believe that the Alliance will not result in a substantial lessening of competition in a hypothetical NZ – Asia.

New Zealand - Pacific Island market

32. The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the NZ-Pacific market when compared with the counterfactual.

In the Applicants' view there is not a distinct NZ – Pacific Islands market. The Applicants refer the Commission to section 1.2.5 of the Market Definition and Competitive Effects Chapter.

New Zealand – United States market

33. **The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the NZ-US market when compared with the counterfactual.**

The Applicants do not believe that the Alliance would result in a substantial lessening of competition in the NZ-US market. The Applicants refer the Commission to paragraphs 333 to 340 of the Applicants Section 58 Application for Authorisation, filed on 9 December 2002.

Other international markets

34. **The Commission seeks comment on its preliminary view that the proposed Alliance would not have or be likely to have the effect of substantially lessening competition in the International market when compared with the counterfactual.**

The Applicants agree with the Commission's preliminary view that the Alliance will not result in a substantial lessening of competition. The Applicants refer the Commission to paragraphs 341 to 345 of the Section 58 Application for Authorisation, filed on 9 December 2002.

Domestic belly-hold freight market

35. **The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the domestic air freight market when compared with the counterfactual.**

The Applicants do not believe that the Alliance would have or would be likely have the effect of substantially lessening competition in the air freight market. The Applicants refer the Commission to paragraphs 12.4 to 12.13 of the Freight Benefits Chapter.

Tasman belly-hold freight market

36. **The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the Tasman belly hold market when compared with the counterfactual.**

The Applicants do not believe that the Alliance would have or would be likely have the effect of substantially lessening competition in this market. The Applicants refer the Commission to paragraphs 12.49 to 12.64 of the Freight Benefits Chapter.

International belly-hold freight market

37. **The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the international belly hold freight market when compared with the counterfactual.**

The Applicants do not believe that the Alliance would have or would be likely have the effect of substantially lessening competition in this market. The Applicants refer the Commission to paragraphs 12.65 to 12.73 of the Freight Benefits Chapter.

National Wholesale Travel Distribution Services

38. **The Commission seeks comment on its preliminary view that the proposed Alliance would have or would be likely to have the effect of substantially lessening competition in the national wholesale travel distribution services market when compared with the counterfactual.**

The Applicants do not believe that the Alliance would result in a substantial lessening of competition in the national wholesale distribution market. The Applicants refer the Commission to section 2.2 of the Market Definition and Competitive Effects Chapter.

Deemed substantial lessening of competition

39. **The Commission seeks comment on its preliminary view that the proposed Alliance would result in fixing controlling or maintaining prices and is therefore deemed to substantially lessen competition.**

The Applicants refer the Commission to the ACCC's comments in the context of its authorisation of the original Qantas-British Airways Joint Services Agreement:

"It should be noted that as a matter of law, the fact that a price fixing agreement under s.45A is deemed to be a substantial lessening of competition for the purposes of that section of the Act does not mean that any similar deeming or legal presumption about the effect of the Agreement carries over to s.90(6). In other words, as a matter of law the effect, if any, in a particular case of a price fixing agreement on competition depends on all the circumstances and cannot automatically be assumed to affect competition."¹

In any event, the Applicants submit that the public benefits of the Alliance materially and demonstrably outweigh the public detriments of the Alliance.

PUBLIC DETRIMENTS

Allocative inefficiency

40. **The Commission seeks further commentary and analysis on the appropriateness of the assumptions used by NECG in its model of passenger air service markets.**

The Applicants refer the Commission to paragraphs 100 to 164 of the chapter 8 entitled "Allocative Efficiency" (**Allocative Efficiency Chapter**).

41. **The Commission seeks further submissions on the implications of a possible switch by Air NZ to the oneworld Alliance.**

The Applicants refer the Commission to section 2.7 of Chapter 11 entitled "Tourism Benefits" (**Tourism Benefits Chapter**).

¹ Qantas Airways Limited and British Airways Plc (1995) ATPR (Com) 50-184 at page 55,579.

42. **The Commission seeks further commentary and analysis on the appropriateness of the assumptions used by Professor Hazledine in his model of passenger air service markets.**

The Applicants refer the Commission to paragraphs 100 to 164 of the Allocative Efficiency Chapter.

43. **The Commission seeks views on the appropriateness of Figure 2 as a stylised representation of the NECG model.**

Figure 2 is a highly simplified view of the world. It would be more appropriate to consider the model as a whole.

44. **The Commission seeks further commentary and analysis on the assumptions used in the price discrimination model of passenger air service markets.**

The Applicants refer the Commission to paragraphs 100 to 164 of the Allocative Efficiency Chapter.

45. **The Commission seeks further commentary and analysis on the appropriateness of the assumptions used by Professor Gillen in his model of passenger air service markets.**

The Applicants do not agree with some of the assumptions or the modelling approach adopted by Professor Gillen. The Applicants refer the Allocative Efficiency Chapter.

Dynamic inefficiency

46. **The Commission seeks comment on its assessment of the likely sources of losses of dynamic efficiency from the proposed Alliance.**

The Applicants refer the Commission to paragraphs 19 to 24 of Chapter 9 entitled “Dynamic and Productive Efficiency” (**Dynamic and Productive Efficiency Chapter**).

47. **The Commission seeks further commentary and analysis on the appropriateness of its estimates of dynamic efficiency losses associated with the proposed Alliance.**

The Applicants refer the Commission to paragraphs 19 to 24 of the Dynamic and Productive Efficiency Chapter.

Productive inefficiency

48. **The Commission seeks comment on its assessment of the likelihood of losses of productive efficiency from the proposed Alliance.**

The Applicants refer the Commission to paragraphs 3 to 18 of the Dynamic and Productive Efficiency Chapter.

49. **The Commission seeks further commentary and analysis on the appropriateness of its estimates of productive efficiency losses associated with the proposed Alliance.**

The Applicants refer the Commission to paragraphs 3 to 18 of the Dynamic and Productive Efficiency Chapter.

Conclusion on detriments

50. **The Commission seeks views on its overall approach to detriment assessment in respect of these Applications**

The Applicants do not agree with the Commission's overall approach to modelling the detriments flowing from the Alliance. In this respect, the Applicants refer the Commission to the Allocative Efficiency Chapter and NECG's updated modelling results contained in Chapter 10 entitled updated Benefits and Detriments (**Updated Benefits/Detriments Chapter**).

PUBLIC BENEFITS

Cost savings

51. **The Commission seeks comments on its estimation of cost savings?**

The Commission's estimates of cost savings are incorrect both for analytical reasons and because of the many errors made in implementing the Commission's model. As the Commission's estimations stand, they lack any meaning, as they involve incorrectly combining values from several distinct scenarios.

Tourism

52. **How would the marginal tourist's expenditure differ from that of the average tourist?**

The Applicants refer the Commission to paragraphs 11.191 to 11.194 of the Tourism Benefits Chapter.

53. **The Commission seeks comments on its assumption that Qantas Holidays would sell packages that include Air NZ airfares if doing so did not deprive Qantas of additional passengers?**

The Applicants do not believe that Qantas Holidays would sell packages that include Air New Zealand airfares under the Counterfactual. The Applicants refer the Commission to paragraphs 11.41 to 11.50 of the Tourism Benefits Chapter.

54. **How effective are national tourism organisations' promotions? Can airlines promote national tourism as effectively?**

The Applicants believe that both airlines and national tourism bodies are effective in promoting national tourism. The Applicants refer the Commission to paragraphs 11.107 to 11.120 of the Tourism Benefits Chapter.

55. The Commission seeks comments on its estimation of tourism benefits?

The Applicants continue to support the modelling approach adopted by NECG. In this respect, the Applicants refer the Commission to paragraphs 11.81 to 11.89 of the Tourism Chapter.

56. How should aircraft capacity and tourism infrastructure constraints and risk affect the analysis?

The Applicants believe that aircraft capacity and tourism infrastructure will not constrain the increase in tourist numbers under the Alliance. The Applicants refer the Commission to paragraphs 11.122 to 11.123 of the Tourism Benefits Chapter.

Scheduling efficiencies

57. The Commission seeks comments on its estimation of scheduling benefits?

The Applicants do not agree with the Commission's preliminary estimation of benefits resulting from New Direct Flights. The Applicants refer the Commission to paragraphs 388 to 394 of the Section 58 Application for Authorisation, filed 9 December 2003.

New direct flights

58. The Commission seeks comments on its estimation of direct flight benefits?

The Applicants do not agree with the Commission's preliminary estimation of benefits resulting from New Direct Flights. The Applicants refer the Commission to paragraphs 395 to 398 of the Section 58 Application for Authorisation, filed 9 December 2003.

Engineering and maintenance

59. The Commission seeks comments on its estimation of engineering and maintenance benefits?

The Applicants do not agree with the Commission's preliminary estimation of engineering and maintenance benefits. The Applicants refer the Commission to Chapter 13 entitled "Engineering and Maintenance Benefits".

Freight

60. The Commission seeks comments on its estimation of freight benefits?

The Applicants do not agree with the Commission's estimation of Freight Benefits. The Applicants refer the Commission to the Freight Benefits Chapter.

Other benefits

61. The Commission seeks comments on its assessment of other benefits?

The Commission's assessment of other benefits are substantially incorrect. Specifically, the Applicants retain the view that the appropriate valuation of those benefits is as they have communicated to the Commission in their Applications and in subsequent correspondence.

62. Has the Commission omitted any significant benefits from its analysis?

The Commission places too little weight on the non-quantifiable benefits associated with the Alliance. Additionally, the Commission does not place a sufficient value on the benefits to New Zealand arising from the greater sustainability of Air New Zealand.

Conclusion on benefits

63. Is the assumption of full employment valid for modelling impacts on the New Zealand economy?

The Applicants do not accept that the assumption of full employment is valid for modelling impacts on the New Zealand economy. Full employment may be a valid assumption if a very long term perspective is being adopted, but the Commission is required to assess the costs and benefits of the Alliance over the period of time for which authorisation is being sought. There is little or no prospect of full employment being achieved over this period. Given that, the assumption that there is full employment is only tenable if unemployment is voluntary. There is no evidence to suggest that unemployment in New Zealand is indeed voluntary, and the assumption that it is would be completely incorrect.

64. The Commission seeks comments on its use of welfare, rather than gross figures, to express benefits?

The Applicants do not believe that the Commission's measure, in fact, captures welfare. The Commission's modelling involves numerous mistakes, which mean that its measures are not measures of welfare. That said, the Applicants believe welfare provides the correct metric for the assessment of net benefits.

65. Should the Commission consider any other issues in its assessment of public benefits?

The Commission should take account of the gain to New Zealand taxpayers of being able to use resources that would otherwise be consumed in supporting Air New Zealand for other, socially highly valued, purposes.

CONDITIONS/UNDERTAKINGS

66. The Commission seeks comment on the likely effectiveness of the conditions suggested by the Applicants.

The Applicants refer the Commission to Chapter 14 entitled "Conditions" (**Conditions Chapter**).

67. The Commission seeks comments on any other conditions that might be appropriate.

The Applicants refer the Commission to the Conditions Chapter.