

20 December 2002

**BY FACSIMILE AND BY POST**

Janet Whiteside  
Chief Adviser  
Business Competition Branch  
Commerce Commission  
P O Box 2351  
**WELLINGTON**

Dear Janet

**AIR NEW ZEALAND LIMITED AND QANTAS AIRWAYS LIMITED: YOUR REF J5633**

We refer to the Notices seeking Authorisation under sections 58 and 67 of the Commerce Act dated 9 December 2002.

As discussed by telephone yesterday, we confirm that Air New Zealand and Qantas ("the parties") wish to vary the application under section 58 of the Act ("Application") so that it covers the entering into and giving effect to the provisions of a cooperation agreement between Air New Zealand, Qantas and Air Pacific Limited dated 20 December 2002 ("Cooperation Agreement"), a copy of which is **attached**. As noted in clause 2.2 of the Cooperation Agreement, it is entered into pursuant to, and is contemplated by, the provisions of clause 6.1(b) of the Strategic Alliance Agreement.

By this letter, the parties accordingly amend paragraph 29 of the Application by inserting a new sub-paragraph (g) as follows:

Cooperation Agreement, under which Air New Zealand, Qantas and Air Pacific and their respective subsidiaries agree to cooperate in respect of such aspects (including pricing and scheduling) of their services, businesses or operations as they consider appropriate.

Consequential amendments involve deletion of the word "and" at the end of sub-paragraph (e) and the replacement of the "." at the end of paragraph 29(f) with "; and".

The parties also amend paragraph 12 of the Application by adding a new first sentence as follows:

Air Pacific Limited will be an affected party in terms of s58B(1) of the Commerce Act.

The parties do not seek confidentiality for the Cooperation Agreement.

Finally, we confirm that this letter has been sent on behalf of both Qantas and Air New Zealand. For the Commission's records, Phil Taylor of Bell Gully will countersign a copy of this letter and send it directly to the Commission.

Yours faithfully  
**Minter Ellison Rudd Watts**

Andrew M Peterson  
Partner

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**Phil Taylor**  
Partner  
Bell Gully