

Star Alliance Services GmbH · Frankfurt Airport Center · 60546 Frankfurt am Main

Ministry of Government Administration, Reform and Church Affairs Konkurransepolitisk avdeling Postboks 8004 Dep N-0030 Oslo Norway Star Alliance Services GmbH
Frankfurt Airport Center, Main Lobby
60546 Frankfurt am Main
Germany
Tel +49 (0)69 96375 0
Fax +49 (0)69 96375 500

Mark F. Schwab

CEO

Tel +49 (0)69 96375 100 Fax +49 (0)69 96375 600 Mobile +49 151 55013 000 mark.schwab@staralliance.com

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Hearing on the current Regulation banning the application of Frequent Flyer Programs in the Norwegian domestic traffic

Dear Sirs.

On behalf of the members of Star Alliance, I would like to convey our views within the framework of the hearing, recently launched by the Ministry, on the future of the ban on Frequent Flyer Programs (FFP's) in the domestic market in Norway.

The hearing is based on a recommendation from the Norwegian Competition Authority (NCA), and it is proposed that the ban should be retained also in the future, with the exception of three larger routes, Oslo-Trondheim, Oslo-Bergen and Oslo-Stavanger.

The members of Star Alliance would like to point out that a prohibition of this kind is totally unique. In no other country in the world are customers of our alliance members faced with this kind of prohibition and restriction.

In our experience, the application of FFP's is a stimulus in the competition between airlines and between alliances for the ultimate benefit of the consumer. Nowhere in the world have we seen any evidence that the application of FFP's leads to higher fares for the consumer. We find that the current ban actually limits competition.

We are furthermore of the firm opinion that the ban is infringing Community Law, in that it limits the ability of airlines inside and outside our alliance to freely offer their services on the Norwegian domestic market. The suggested approach by the NCA,

to allow the programs only on three routes is a piecemeal and illogical solution and will in fact only create a new form of discrimination.

We would strongly urge the Ministry to accept the practices of all other aviation markets in the world and to completely abolish the ban on FFP's in Norway.

Hoping you will be able to take our views into consideration.

Yours sincerely,

Mark F. Schwab

CEO