



13 January 2009

Mr Michael Bird
Executive Director
International Air Services Commission
PO Box 630
Canberra ACT 2601
Via Fax: 02 62 67 1111

Dear Mr Bird

A handwritten signature in black ink, appearing to be "M. Bird", written over the typed name "Mr Bird".

Application for a Variation to Determination [2007] IASC 118

Pacific Blue Airlines (Aust) Pty Ltd (PBA) seeks a variation to Determination [2007] IASC 118 which allocates capacity on the New Zealand route to enable it to engage in code share operations with Virgin Blue International Airlines Pty Ltd trading as V Australia on services operated by PBA between Australia and New Zealand in both directions.

PBA and V Australia are wholly owned subsidiaries of Virgin Blue Holdings Limited. The proposed arrangements will therefore be executed exclusively within an established airline Group. As it will participate only as a marketing carrier, no specific allocation of capacity is sought for V Australia.

Under the code share arrangements, the participating carriers will independently price and sell their services on the route. The Group does not participate in IATA tariff co-ordination activities. All reasonable steps will be taken to ensure that all passengers are informed, at the time of ticket reservation, of the carrier actually operating the flight.

We believe the proposed arrangements will bring extra competition to the market and are consistent with the public interest.

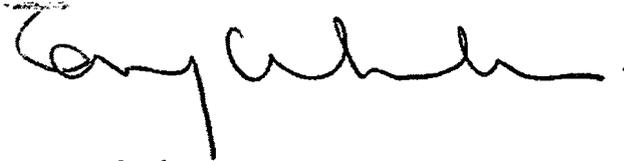
IASC Act and Policy Statement Considerations

We request that the Commission consider this application against the general criteria for assessing the benefit to the public in Paragraph 4 of the Minister's Policy Statement.

The Paragraph 4 criteria provides that the use of entitlements by an Australian carrier under a bilateral air services agreement is of benefit to the public, provided that the carrier is reasonably capable of obtaining the necessary approvals and implementing the proposal.

We would be grateful if the Commission could make a determination in favour of Pacific Blue (Aust) for the duration of Determination [2007] IASC 118. We would be happy to provide any other information the Commission may require in support of this application.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Wheelens', with a long horizontal flourish extending to the right.

Tony Wheelens
Manager Government Affairs
Virgin Blue Group