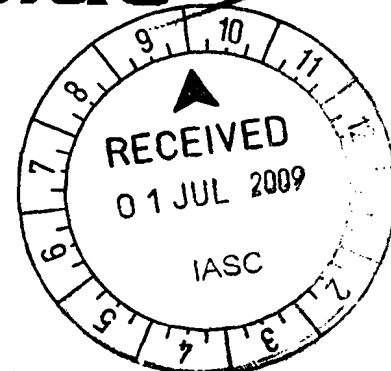




29 June 2009

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

B 1/7-



Dear Mr Bird

Mike

Application for increase in Capacity Allocation – Solomon Islands

Pacific Blue Airlines (Aust) has received from the Commission through Determinations [2008] IASC 120 an allocation of capacity of service each week for services between Australia and Solomon Islands. Pacific Blue Airlines (Aust) seeks a further Determination which would permit it to operate an additional weekly service between Brisbane and Honiara. Pacific Blue will operate these services utilising 180 seat B737-800 aircraft.

Allocation Sought

Pacific Blue requests an allocation of an additional 180 seats each way each week on the Solomon Islands route on the following basis:

- The capacity will be utilised by Pacific Blue Airlines (Aust)
- The allocation is requested for a period of five years from the date of the Determination of the Commission.
- The capacity will be fully utilised from 1 April 2010

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 pleased to provide any further information the Commission may require in support of this application.

Yours sincerely

Tony Wheelens

Tony Wheelens
Manager Government Relations
Virgin Blue Group