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9 June 2011

Ms Sue McIntosh
Executive Director
International Air Services Commission
PO Box 630
Canberra ACT 2601

Via Fax: (02) 6267 1111

Dear Ms McIntosh *Sue*

Application for Variation – Indonesia Route

Virgin Blue Airlines (Virgin Blue) is seeking a variation of its capacity allocations on the Australia – Indonesia route to enable Virgin Blue International Airlines Pty Ltd trading as V Australia (V Australia) to code share on Virgin Blue's services between points in Australia and Denpasar.

Variations sought

Although Virgin Australia's services on this route are currently operated by Virgin Blue, we are attending to the relevant regulatory arrangements which will see all our domestic and international services operated by Virgin Australia by the end of 2011. In the interim, Virgin Blue requests variations to the following Determinations allocating capacity on the route to permit such capacity to be used to offer joint services with V Australia:

- [2008] IASC 120
- [2009] IASC 103
- [2009] IASC 105
- [2009] IASC 106
- [2009] IASC 113
- [2010] IASC 109

V Australia is already designated under the Australia – Indonesia Air Services Agreement. It is our intention to implement this code share arrangement following the consideration and approval of this application.

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 provide 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.



Should you require any further information, please do not hesitate to contact Lee-Anne Tomkins on (02) 8093 7114.

Yours sincerely

Jane McKeon

Jane McKeon
Group Executive
Government Relations