australia

14 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 to Determination [2008] IASC 110

As part of the joint venture (JV) between the Virgin Australia group of airlines (Virgin Australia) and Delta Air Lines (Delta), Delta will offer code share services as a marketing carrier on routes operated in both directions by V Australia on the United States (US) route between Brisbane, Sydney, Melbourne and Los Angeles. This JV has now received approval and antitrust immunity from both the US Department of Transportation and the Australian Competition and Consumer Commission.

Variation sought

Although Virgin Australia's services on each of these routes are currently operated by V Australia, 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, V Australia requests a variation to Determination [2008] IASC 110 to permit the utilisation of capacity for code share services with Delta on the US route.

A signed copy of V Australia's confidential code share agreement with Delta is attached.

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