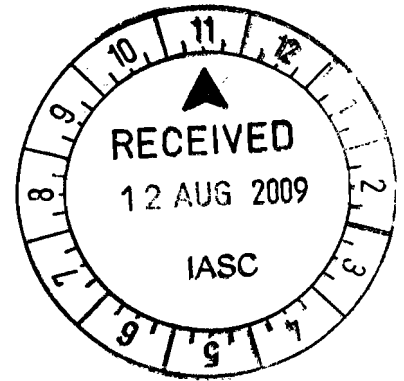


12 August 2009

Mr Michael Bird  
Executive Director  
International Air Services Commission  
GPO Box 630  
Canberra ACT 2601



Dear Mr Bird *mwb*

### Application for Capacity Allocation – Fiji

V Australia seeks from the Commission a Determination to permit it to operate daily services between points in Australia and points in Fiji utilising 361 seat B777-300ER aircraft. This will require an allocation of 2527 seats each way each week.

At the time of commencement of operations by V Australia the daily services operated between Sydney and Nadi by Pacific Blue Australia Pty Ltd (PBA) using 180 seat B737-800 aircraft will cease. We seek the agreement of the Commission for 1260 of those seats currently allocated to PBA to be transferred to V Australia. The transfer would be between wholly owned subsidiaries operating within the Virgin Blue Group. In addition, we request the Commission allocate to V Australia from the pool of available capacity the balance of 1267 seats required to enable daily services to be operated by V Australia.

The capacity will be used on the following basis:

- The capacity will be utilised by V Australia
- The allocation is requested for a period of five years from the date of the Determination of the Commission
- The capacity will be fully allocated from December 2009

### IASC Act and Policy Statement Considerations

We request 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. 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  
Manager Government Relations  
Virgin Blue Group