



4 June 2010

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

Dear Sir,

**Application for Additional Freight Capacity Allocation – PNG Route**

Pacific Air Express (PAE) commenced a weekly scheduled freighter service on the Australia-PNG route in early April this year, utilizing 17.5 tonnes allocated freight capacity. PAE is presently the sole provider of scheduled freighter services on the Australia-PNG route, and has been unable to meet the demand from exporters following the cessation of scheduled freighter services to PNG by Heavylift Cargo Airlines in March this year.

Recently an additional 30 tonnes freight capacity per week has been added to the Australia-Papua New Guinea route, and PAE seeks an allocation of an additional 17.5 tonnes per week of freight capacity on the route. The additional capacity would be utilized with a second B737-300F service operating BNE-POM-BNE.

If the allocation is granted, PAE has sufficient forward bookings to fully utilise the additional freight capacity as soon as an amended flight schedule for the second service is approved by the Department of Infrastructure and the PNG Department of Transport.

**Allocation Sought**

Pacific Air Express seeks an additional allocation of 17.5 tonnes per week on the Australia-PNG route on the following basis:

- the allocation is requested for a period of five years;
- the capacity will be fully used by 31 July 2010.

**IASC Act and Policy Statement Considerations**

PAE believes this application meets the general criteria for assessing the benefit to the public in paragraph 4 of the Minister's statement.

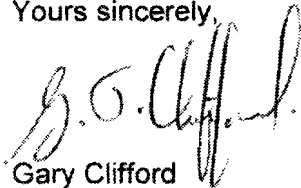
An allocation would provide much needed additional freight space for Australian exporters doing business with PNG.

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PAE is fully capable of commencing a second weekly service before 31 July, and is a long established freight airline with considerable experience operating scheduled freighter services in the south west Pacific region, and has an extensive freight forwarder customer base doing business in PNG.

We would be pleased to provide any further information in support of this application if requested.

Yours sincerely,



Gary Clifford  
Managing Director  
Pacific Air Express Australia Pty Limited