

9 September 2010

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

Dear Mr Bird 

**Application for a Variation of Determinations for Pacific Blue Australia on the Indonesian Route**

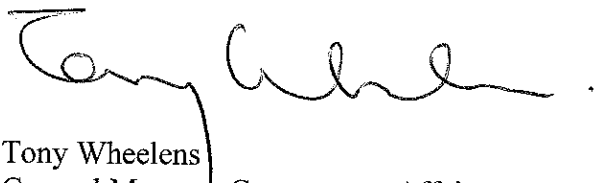
Pacific Blue Australia (PBA) seeks a variation of all Determinations made by the Commission in respect of PBA's services on the Indonesian route to enable it to transfer to Virgin Blue Airlines (VBA) all seats allocated for services to Indonesia. Virgin Blue is the same entity to which the Commission had previously allocated capacity. Its ACN is 090 670 965.

PBA wrote to the Commission on 5 August 2010 seeking a further allocation of 2,340 seats on the Indonesia route. VBA will write separately to the Commission in respect of this matter. The proposed transfer of capacity will facilitate revised Group operations between Australia and Indonesia. Both PBA and VBA are wholly owned subsidiaries of Virgin Blue Holdings Limited. The proposed transfer of capacity would occur exclusively within an established airline Group and would take effect from the commencement of the Northern Winter 2010 timetable period.

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



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