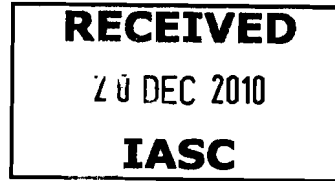


20 December 2010

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



Via Fax (02) 6267 1111

Dear Mr Bird *Mike*

Application for Variation to Determination [2007] IASC 118

As part of the proposed joint venture (JV) between Pacific Blue Airlines (Australia) Pty Ltd (PBA) and Delta Air Lines, Inc (Delta), it is intended that Delta will offer code share services as a marketing carrier on routes operated in both directions by PBA between points in Australia and Auckland & Christchurch.

As you are aware, the US Department of Transportation (DoT) is yet to approve this JV. Notwithstanding this, we are seeking to progress the preliminary regulatory matters in relation to this proposed code share, as the interim order from the DoT indicates that evidence of this will be taken into account in its final assessment of our JV application.

Pursuant to sections 15 and 21 of the *International Air Services Commission Act 1992* and in accordance with the conditions of Determination [2007] IASC 118, PBA seeks a variation to Determination [2007] IASC 118 to permit the operation of code share services with Delta on the New Zealand route.

Please find enclosed a signed copy of PBA's confidential code share agreement with Delta.

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

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Group Executive
Government Relations

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