



28 March 2011

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

Dear *Mike* ~~Mr. Bird~~,

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

Pacific Air Express currently operates two scheduled freighter services weekly on the Aust-PNG route using B737-300F equipment. The two services provide a total of 35 tonnes of freight capacity weekly to the air freight industry.

For the last 12 months Pacific Air Express has been the only cargo airline operating freighter services on the PNG route and further development of air freight volumes on the PNG route has been constrained by a shortage of available freight capacity.

To handle peak period excess freight during Nov-Dec 2010 Pacific Air Express received approvals to provide an additional supplementary weekly freighter service. Due to the continuing growth of freight traffic on the PNG route Pacific Air Express flights are regularly overbooked and additional freight capacity has been sought to accommodate the expansion in our customers' trading activity with PNG, mainly concerned with servicing the continuing growth in the PNG energy and mining sectors.

We note the recent determination 204[2011] by the Commission which has made available 17.5 tonnes of freight capacity on the PNG route. Pacific Air Express makes application for the 17.5 tonnes of available freight capacity to allow the ongoing development of our existing scheduled services on the Brisbane-Port Moresby route. The additional capacity will enable our airline to offer to the air freight industry an attractive SUN/WED/FRI schedule which should meet the current demand for main deck freighter services on the PNG route.

**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 utilised by 31 July 2011.

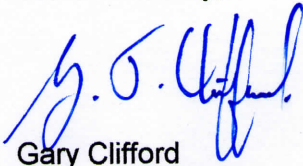
### **IASC and Policy Statement Considerations**

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

The additional allocation sought would accommodate the growth in our existing customers' air freight volumes on the PNG, route and provide much needed elasticity to meet the ongoing demand for main deck freighter capacity on the PNG route.

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

Yours sincerely,



Gary Clifford  
Managing Director