



29 September 2011

Ms Sue McIntosh
Executive Director
International Air Services Commission
GPO Box 630
Canberra ACT 2601

Dear Ms McIntosh

Application for variation - Chile Route

Qantas is seeking a variation of a capacity allocation on the Chile route to enable LAN Airlines to code share on Qantas operated services between Australia and Chile.

It is planned that the new code share arrangements will commence from 26 March 2012. The code share will be a hard-blocked space arrangement including freight capacity, whereby LAN Airlines will set airfares and freight charges independently of Qantas.

A signed copy of the confidential code share agreement between Qantas and LAN Airlines will be provided to the Commission as soon as it is available, and prior to the commencement of code share services.

Variation Sought

Qantas requests a variation to Determination 114/2011, which allocates 1,119 seats per week for passenger services on the Chile route, to permit the capacity to be used to code share with LAN Airlines.

The variation is requested for the duration of the Determination.

IASC Act and Minister's Policy Statement Considerations

This application should be considered against the general criteria for assessing the benefit to the public in paragraph 4 of the Minister's policy statement.

These criteria state that the use of entitlements under a bilateral arrangement is of benefit to the public, provided a carrier is reasonably capable of obtaining the necessary approvals and implementing the proposal.

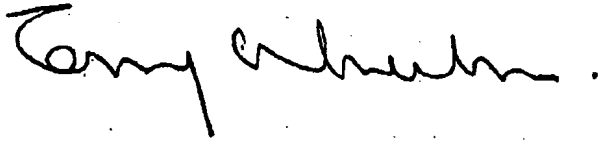


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We would be pleased to provide any further information the Commission may require in support of this application.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tony Wheelens". The signature is fluid and cursive, with a period at the end.

Tony Wheelens
General Manager
Group Government and Industry Affairs