

1 August 2016

Mr Nick Brown
General Manager Aviation and Maritime
Ministry of Transport
PO Box 3175
Wellington 6140

By email: airservices@transport.govt.nz

Dear Nick

**APPLICATION UNDER S88 CIVIL AVIATION ACT 1990
AUTHORISATION OF SIDE AGREEMENT - AIR NEW ZEALAND AND UNITED AIRLINES**

Thank you for the opportunity to comment on the application by Air New Zealand Limited ("Air NZ") and United Airlines, Inc. for authorisation by the Minister of Transport of a side agreement to the Alliance Expansion Agreement entered into between the airlines in December 1999 ("AEA").

Auckland Airport has reviewed the airlines' application, has had the opportunity to be briefed by Air NZ staff, and supports the application.

Auckland Airport, as indicated in previous submissions to the Minister, is conscious of the considerable economic pressures faced by airlines today. Auckland Airport is supportive of an approach by the regulator that, applied in the context of current market conditions, seeks to achieve "fair"/"level playing field" outcomes, but still ensure that that proposed initiatives, and changes to existing arrangements, do not result in a reduction of capacity or some other detrimental impact on the international air services that are so vital to New Zealand's tourism and economic prosperity.

It is apparent that times have changed since the AEA was entered into and Auckland Airport can understand that the restrictions imposed by the defined carve-outs in the AEA are not really relevant today. Additionally, we note that current market conditions are such that, in fact, the restrictions the side agreement seeks to remove relate to routes where currently levels of competition are not a concern.

Please do not hesitate to contact me if there is anything further in relation to the Application or the Minister's consideration of it that Auckland Airport can assist with.

Yours sincerely



Scott Weenink
General Counsel and Company Secretary
Email: scott.weenink@aucklandairport.co.nz