

03 October 2013

Rob Irwin
Customer Relations Manager
Airways Corporation
PO Box 294
Wellington

Dear Rob

Unattended Aerodromes Instrument Flight Procedures (IFP) Services Review

Thank you for your letter of 15 September 2013.

Attached is a letter we have written to CAA understanding the significance of the deadline as we are having some difficulty understanding why this was not discussed with the Industry and affected parties some months ago and why we are being given something less than a month to commit to and conduct potentially quite extensive reviews at considerable cost.

In your absence Scott Scrimgeour has briefed me on some of the background drivers for the change from Airways perspective so to that degree we understand that the review is long overdue and that there are upsides and downsides.

Of course one of the most significant issues is the very short time frame. We appreciate that there was consultation over unattended aerodromes as part of the service and pricing review in 2012 but essentially the issue was parked to one side while the fundamental issues were resolved.

We understand it is now a time to reactive those discussions however we must advise that we do not accept any retrospective application of price as proposed in your letter of 1 July 2013.

Once we receive clarification from CAA as to the drivers for the change and the magnitude of change required we would propose that those responsible for unattended aerodrome meet with Airways and work through a potential resolution of the issue.

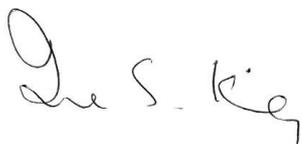
The potential price increases highlighted in your letter as simply too substantial for those operators who have been in contact with me and an alternative may be to set up a tender process to have the work done and put the matter out to a contestable process. We understand that there is another service provider and a tender may encourage others to enter the market.

In some respects the increases being proposed are the straw that has broken the camel's back. The operators of unattended aerodromes quite clearly do not have the ability to pay nor the traffic volumes to sustain the prices being suggested.

Furthermore, we note the inconsistency of application with a user pay approach where Regular Passenger Transport aerodromes are exempted from this charge and passed on to the aircraft operator. Whereas the affected unattended aerodromes have been directly and, in our view, unfairly targeted with this charge.

Once we have received a response from CAA we will seek a meeting with you. We note you are on leave until 15 October and will seek a meeting with you as soon as possible after that.

Yours sincerely



Irene King
Chief Executive