



07 April 1999

The Honourable Philip Burdon
Chairman
APEC Business Advisory Council
Asia 2000 Foundation
PO Box 10144
WELLINGTON

Facsimile: 04 471 2330

Dear Mr. Burdon,

You will be aware of the efforts being made by Mr. Cyril Murphy of United Airlines to have APEC address certain issues relating to aviation services.

Mr. Murphy has set out his proposals in a paper titled "APEC 1999 – Connecting with Communities" which he sent to you under cover of a letter dated March 25. In essence he is advocating that the next APEC Leaders Summit endorse the high priority options contained in the "Comprehensive Report on Option" which was endorsed by the APEC Transportation Working Group in April 1998.

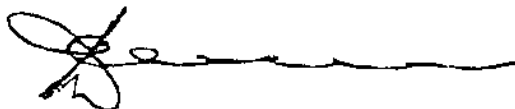
As you know the aviation industry is presenting going through a period of rapid and fundamental change. Many airlines, including some of the world's largest, are forming alliances in order that they can offer their customers access to a global network and improved service levels without the impossibly high level of cost that traditionally would have been necessary.

Air New Zealand is a partner with United Airlines and six other major airlines in the STAR Alliance. We recognise the increased opportunities and customer benefits, which would become available if these options were accepted by transport regulators in the APEC economies.

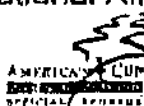
Air New Zealand therefore supports this initiative and we look forward to working with you and others involved in the APEC process to give it effect.

You're Sincerely,

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