



Toronto, June 12, 2000

Note No. JLAB-0076

Excellency,

I have the honour to refer to the Embassy of the United States of America's Note No. 033 of January 20, 2000, concerning your proposal to amend the Agreement between the Government of Canada and the Government of the United States of America on Air Transport, signed at Ottawa on February 24, 1995, with Annexes, which reads as follows:

"I have the honour to refer to discussions held by representatives of our two governments in Washington on November 18, 1997, concerning the Air Transport Agreement between the Government of the United States and the Government of Canada, with annexes, signed at Ottawa February 24, 1995 (the Agreement). In light of the understanding reached in those discussions, I have the honor to propose that in implementation of Article 10, paragraph 6(b) of the Agreement, the authorities of each country exercise their discretion relative to cooperative marketing arrangements with airlines of third countries by allowing such arrangements as follows:

In operating or holding out the authorized services on agreed routes, any designated airline of one Party may enter into cooperative marketing arrangements such as blocked-space, code-sharing or leasing arrangements with an airline or airlines of a third country provided that:

(A) Such third country authorizes or allows comparable arrangements between the airlines of the other party and other airlines on services to, from and via such third country;

(B) All airlines in such arrangements hold the appropriate authority;

(C) All airlines in such arrangements meet the requirements normally applied to such arrangements, including any necessary authorizations.

The term "comparable arrangements" shall be understood to refer generally to comparable cooperative marketing arrangements and shall be broadly construed.

In addition, I have the honor to request that this proposal be considered in lieu of the proposals contained in the Embassy's note No. 634 of December 23, 1997 and in the Embassy's note No. 272 of June 14, 1999, and that those two notes be withdrawn.

If this proposal is acceptable to your government, I have the honour to propose that this note and your Excellency's note in reply (which is authentic in english and Grench languages) shall constitute an agreement between our two governments on this matter, which shall enter into force on the date of your Excellency's note in reply."

I have the honour to inform you that I accept, on behalf of my Government, the proposals set forth in your Note and to confirm that your Note and this reply, which is equally authentic in English and French, shall constitute an Agreement between our two Governments which shall enter into force on the date of this Note.

Accept, Excellency, the renewed assurances of my highest consideration.



David Michael Collenette  
Minister of Transport

His excellency Gordon D. Giffin  
Ambassador of the United States of America