MEMORANDUM OF CONSULTATIONS

Delegations representing the United Arab Emirates (U.A.E.) and the United States of America met in Washington, D.C., April 13, 1999, to discuss the establishment of an open-skies regime that would govern air services between their countries. A list of both delegations appears as Attachment A.

The cordial and productive discussions resulted in the delegations reaching agreement, ad referendum, and initialing the text of an Air Transport Agreement between the Governments of the United States of America and the United Arab Emirates (Attachment B). Delegations represented the intentions of their respective aeronautical authorities to permit operations consistent with the terms of the attached Agreement on the basis of comity and reciprocity from the time of its initialing.

The delegations noted the positive aviation relationship between the countries, and agreed that conclusion of an open-skies air transport agreement would enhance for both countries current and future benefits brought by air services.

In discussing the text of the Agreement, the U.S. delegation assured the U.A.E. delegation that Annex I confers traffic rights between all points on the agreed routes except cabotage.

The delegations took particular note of Article 3, paragraph 1, of the Agreement, which allows each Party to designate as many airlines as it wishes to operate under this Agreement.

Notwithstanding the requirement of Article 3, paragraph 2, of the Agreement, that substantial ownership and effective control be vested in the Party, or the nationals of the Party, designating an airline to operate under the Agreement, the delegation from the United Arab Emirates noted its desire to designate Gulf Air. The U.S. delegation indicated that its aeronautical authorities intend to grant a waiver from the ownership and control requirements for Gulf Air, provided that:
First, on a service to/from the United States, should Gulf Air’s last point of departure or first point of arrival in the territory of any of the four Gulf Air owner-countries be other than the U.A.E., the aviation regime in effect between the United States and that country would control the rights available to Gulf Air. However, should Gulf Air’s last point of departure from or first point of arrival in the territory of the four owner-countries be at a point located in the United Arab Emirates, the full scope of open-skies rights will apply.

Second, for scheduled and charter all-cargo service, notwithstanding Annex I, Section 1(B)(2), and Annex II, Section 1, Gulf Air may exercise rights between the United States and third countries provided that the service is part of a continuous operation that serves a point in the U.A.E. which is the first point of arrival or last point of departure.

The United States intends to lift these limitations at such time as the remaining owner-countries of Gulf Air enter into open-skies agreements with the United States.

Done in Washington, D.C.
13 April 1999

For the Delegation of the For the Delegation of the
United States of America United Arab Emirates

Claudia H. Serwer Mohamed Yahya Al-Suweidi
U.S.-UAE
Open Skies Negotiations
April 13-14, 1999

U.S. Delegation Members

U.S. Government

Claudia Serwer, Chair
Deputy Office Director
Office of Aviation Negotiations
Department of State

Susan McDermott
Assistant Director
Office of International Aviation
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Philip Savitz
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Thomas Lydon
Evergreen International Airlines

David Glauber
Federal Express Corporation

George Aste
Trans World Airlines

Rebecca Khamneipur
United Airlines

Allison Kelly
United Parcel Service
LIST OF THE UAE DELEGATION

1. HE MOHAMED YAHYA AL SUWEIDI
   ASSISTANT UNDERSECRETARY FOR CIVIL AVIATION,
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2. HE ABDULLA SAEED AL HAMELI
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7. MR. TONY M. TAYEH
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