

# AVIATION

## Transport Services

Memorandum of Understanding  
Between the  
UNITED STATES OF AMERICA  
and the UNITED KINGDOM OF  
GREAT BRITAIN AND NORTHERN IRELAND

Amending the Agreement of  
~~June 23, 1977~~, as Amended  
July (T.O)

Signed at London November 2, 1984

# 4553

*with*

Related Letter

*and*

Amending Agreement  
Effected by Exchange of Notes  
Dated at Washington November 21, 1985

# 4554



**UNITED KINGDOM OF GREAT BRITAIN AND  
NORTHERN IRELAND**

**Aviation: Transport Services**

*Memorandum of understanding amending the agreement of  
June 23, 1977, as amended.*

*Signed at London November 2, 1984;*

*Entered into force November 9, 1984;*

*Effective November 1, 1984.*

*With related letter.*

*And amending agreement.*

*Effected by exchange of notes*

*Dated at Washington November 21, 1985;*

*Entered into force November 21, 1985.*

*MEMORANDUM OF UNDERSTANDING*

Delegations representing the Governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland met in Washington, DC from August 15 through August 18, 1984 to discuss capacity in the North Atlantic market in accordance with Annex 2 of the Air Services Agreement between the Parties signed at Bermuda on July 23, 1977, as amended (hereafter referred to as the "Agreement").<sup>1</sup>

The Delegations accepted for the 1984/85 winter season the frequencies specified in the attached annex.

In addition, the following understandings were reached concerning Newark, New York and Washington/Baltimore.

Newark: Virgin Atlantic Airways may operate no more frequencies, including extra sections, than those allowed People Express under the Memorandum of Understanding of December 3, 1983.<sup>2</sup>

New York: All US and UK airlines designated to provide scheduled service between New York and London shall have a base number of frequencies of 1,095 each for the 12-month periods beginning November 1, 1984 and ending October 31, 1985 and beginning November 1, 1985 and ending October 31, 1986.

Such frequencies shall be operated consistent with the following table:

<i>Airline</i>	<i>Winter</i>	<i>Summer</i>
Pan Am	453	642
TWA	302	793
BA	302	793

BCal is entitled to operate up to 1095 frequencies in both years on the same terms as British Airways and TWA.

In addition, during the 12-month period November 1, 1984 to October 31, 1985, Pan American may use up to 45 of its winter 1984/85 frequencies during the 1985 summer season; TWA and British Airways each may use up to 45 of their 1984/85 winter frequencies during the summer of 1985 or 45 summer 1985 frequencies during the 1984/85 winter season. Pan American must file with both Contracting Parties its actual schedule of seasonal frequencies for the 12-month period by November 1, 1984, and British Airways and TWA must file their

<sup>1</sup> TIAS 8641, 8965, 9722, 10059; 28 UST 5367; 29 UST 2680; 32 UST 524; 33 UST 655.

<sup>2</sup> Not printed.

actual schedules for the same period by November 15, 1984. All three airlines may file revised schedules at any time on or before November 23, 1984. Only frequencies relinquished on or before that date are available for transfer between seasons as specified.

During the 12-month period November 1, 1985–October 31, 1986, Pan American may use 55 of its 1985/86 winter frequencies during the 1986 summer season; TWA and British Airways each may use up to 55 of their 1985/86 winter frequencies during the summer of 1986 or 55 summer 1986 frequencies during the 1985/86 winter season. All airlines must file with both contracting parties their actual schedule of seasonal frequencies for the 12-month period by November 1, 1985. Only frequencies relinquished on or before that date are available for transfer between seasons as specified.

In addition, British Airways may elect to use 151 of its summer 1985 frequencies during the winter 1985/6 season, on condition that it files with both contracting parties its actual schedule of seasonal frequencies for the 12 month period April 1, 1985–March 31, 1986 by April 1, 1985. However if BA does not so elect to use 151 of its summer 1985 frequencies, TWA may use up to 75 of its summer 1986 frequencies during the winter 1985/86 season instead of the 55 frequencies specified above and, in these circumstances, BA may use only 35 of its summer 1986 frequencies in the winter 1985/86 season.

In consideration of possible substantial traffic growth in the JFK–London market, both parties agreed that for the second 12-month period, the airlines should be allowed to increase their base number of frequencies by the actual annual percentage growth of JFK–London traffic for the 12-month period ending August 31, 1985 above 5 per cent. Any such additional frequencies shall be used in the summer of 1986.

Washington-Baltimore: For the 1984/85 winter season, British Airways shall be allowed to operate a maximum of three weekly frequencies, only one of which may be non-stop, between Baltimore-Washington International Airport and London.<sup>1</sup>

In addition, the US shall choose by November 23, 1984 one of the following options: Either 1) For the 1985 summer season and the 1985/86 winter season, British Airways will be allowed to operate a maximum of six weekly frequencies, only four of which may be non-stop, between Baltimore-Washington International Airport and London. World Airways, for the 1985 summer season

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<sup>1</sup> The frequencies agreed in this Understanding for British Airways, service between Baltimore-Washington International Airport and London include any British Airways service over Bermuda on UK Route 8. [Footnote in the original.]

and the 1985/86 winter season will be granted the right to operate a "Y" pattern<sup>1</sup> beyond London to points in Europe (consistent with traffic rights available under the Agreement) in conjunction with its frequencies on the Baltimore-London gateway route segment; or 2) For the 1985 summer season and the 1985/86 winter season, British Airways will be allowed to operate a maximum of six weekly frequencies, only three of which may be non-stop, between Baltimore-Washington International and London.

For the 1986 summer season, British Airways shall be allowed to operate a maximum of nine weekly flights, only seven of which may be non-stop, between Baltimore-Washington International and London. World Airways for the 1986 summer season will be granted the right to operate a 'Y' pattern<sup>1</sup> beyond London to points in Europe (consistent with traffic rights available under the Agreement). Either World Airways may increase its BWI service or Pan American its Washington/BWI service by the same number of round trip frequencies as British Airways non-stop services to BWI. Alternatively Pan American and World may increase in aggregate by the same amount.

The parties agreed that, except for British Airways' frequencies at Baltimore-Washington International Airport and the increase for Pan American and/or World as specified above, Annex 2 provisions relating to increases in frequencies at Washington/Baltimore and Baltimore shall apply fully.

For all gateways: Advertising materials, timetables, electronic guides etc must correspond to the final schedules filed.

Done at London on November 2 1984. This Understanding shall be effective from November 1 1984.

[Signature]

[Signature]

For United States  
Franklin K Willis

For United Kingdom  
A Fortnam

<sup>1</sup> On each leg of the Y operation World may serve multiple points and may change these points on different days of the week. In operating the Y pattern, World may use one aircraft equal in size to the incoming aircraft. Additionally, World may operate the Y pattern using its own equipment and/or wet or dry leased equipment and/or under other commercial arrangements with any other qualified operator. [Footnote in the original.]

<i>London-</i>	<i>Carrier</i>	<i>Frequencies</i>
Anchorage	BA	108
Atlanta	BCal	151
	Delta Air Lines	151
Baltimore	World Airways	151
Boston	BA	151
	Northwest Airlines	111
	TWA	151
Chicago	BA	151
	TWA	151
Dallas/Fort Worth	American Airlines	191
	BCal	129
Denver	Arrow Airways	42
Detroit	BA	110
Houston	BCal	151
Los Angeles	BA	151
	BCal	109
	Pan Am	109
	TWA	124
Miami	Air Florida	142
	BA	151
	Pan Am	151
Minneapolis	Northwest Airlines	78
Philadelphia	BA	151
San Francisco	BA	151
	Pan Am	151
San Juan	BCal	22
Seattle	BA	58
	Pan Am	44
St Louis	BCal	63
Tampa	Arrow Airways	105
Washington/Baltimore	Pan Am	151
<i>Prestwick-</i>		
New York	Northwest Airlines	36
Boston	Northwest Airlines	34

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[RELATED LETTER]

**Department of Transport**

**Room**

**2 Marsham Street London SW1P  
3EB**

2 November, 1984

**Mr F Willis  
Deputy Assistant Secretary  
Department of State**

Dear Frank,

I am writing to confirm that we shall not invoke frequency limitations of Article 11(2) of Bermuda 2 in respect of BCal's proposed London-New York service since we do not believe that that provision applies when there is already an airline of the same Contracting Party operating services on the route.

I should be grateful for your confirmation that the above reflects accurately the understanding of your Government.

Yours ever

[Signature]  
A J FORTNAM

TIAS 11312

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*The Department of State to the British Embassy*

The Department of State refers Her Britannic Majesty's Embassy to the on-going discussions on Newark-London air service between the two Governments, the Memorandum of Understanding signed at London on November 2, 1984 and the Memorandum of Understanding signed at London on December 3, 1983.

The two memoranda referred to above define the capacity, in terms of flight frequencies, which People Express Airlines and Virgin Atlantic Airways are each permitted to operate between Newark and London (Gatwick). During recent discussions, Her Majesty's Government proposed that these frequencies should be increased to the following levels:

	<i>Round Trips</i>
From November 1, 1985 through March 31, 1986	120
From April 1, 1986 through March 31, 1987	505

It is the understanding of the Government of the United States that the following provisos apply. No extra sections may be operated in addition to the number of round trips described above. The number of round trips which may be operated by People Express Airlines and/or Virgin Atlantic Airways shall not exceed a single daily round trip for the period November 1, 1985 through March 31, 1986 and shall not exceed a twice daily round trip frequency for the year from April 1, 1986 through March 31, 1987.

The proposed capacity arrangement described above is acceptable to the United States Government. If the arrangement is also acceptable to Her Majesty's Government, the Department proposes that this arrangement become effective upon the date of a note of confirmation from Her Majesty's Government.

Department of State,

Washington, November 21, 1985

TIAS 11312

*The British Embassy to the Department of State*

Note No 183

Her Britannic Majesty's Embassy presents its compliments to the Department of State and has the honour to refer to the Department of State's Note dated 21 November 1985 concerning the capacity, in terms of flight frequencies which People Express Airlines and Virgin Atlantic Airways shall be permitted to operate between Newark and London (Gatwick).

Her Majesty's Embassy confirms that the proposed capacity arrangement described in that Note is acceptable to Her Majesty's Government.

The Embassy avails itself of this opportunity to renew the assurance of its highest consideration.

BRITISH EMBASSY  
WASHINGTON DC  
21 November 1985

TIAS 11312