

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

Agreements Adopted by the Traffic  
Conferences of the International Air  
Transport Association

Docket OST-02-

APPLICATION FOR APPROVAL OF AGREEMENTS  
BY THE  
INTERNATIONAL AIR TRANSPORT ASSOCIATION

31 July 2002

Communications with respect to  
this document should be sent to:

David M. O'Connor  
Director, Government & Industry Affairs - United States  
International Air Transport Association  
1776 K St. N.W. Suite 400  
Washington, D.C. 20006

(202) 293-9292

Summary	DOCKET: <b>OST-02-</b>	DOT ORDER: <b>pending</b>
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Date: 31 July 2002  
 Filing fee/IATA Acct: \$183 - A956/2002-06  
 US/UST involved: Yes  
 End of Government Filing Period: 22 August 2002  
 Meeting site/date: Montreal, 15-19 July 2002  
 Intended effective date: **1 November 2002**  
 Agreement: **PTC COMP 0948** dated 30 July 2002  
 Composite Expedited Resolution 002hh  
 (Extract of Minutes attached)

r-1--002hh

r-2--024a

r-3--024e

### **APPLICATION FOR APPROVAL OF AGREEMENT**

Pursuant to statements submitted by Member airlines of the International Air Transport Association (IATA), the undersigned has been constituted to be their attorney-in-fact for filing with the Department of Transportation copies of agreements adopted by the IATA Traffic Conferences.

On their behalf, and pursuant to Sections 41308 and 41309 of Title 49 of the United States Code and Parts 303.03, 303.05 and 303.30(c) of Title 14 of the Code of Federal Regulations, I am filing with the Department this application for approval of an IATA agreement.

This agreement and related factual and explanatory material and documentation required by 14 C.F.R. 303.31 and Department and Civil Aeronautics Board (CAB) precedent are contained in the IATA Traffic Conference documentation summarized above.

This agreement arises from the continuing process of Tariff Coordinating Conferences and was developed in the context of prior Department and CAB rulings addressing related resolutions which reflected regulatory and market conditions then in effect. Thus, the present agreement should be viewed as part of a dynamic process of IATA Member airline adjustment to governmental and economic factors.

On previous occasions, the Department has found such agreements to be consistent with the public interest when they do not result in fares or rates that are unlawful or injurious to competition in the markets at issue. Approval of the present agreement would not yield fares or rates that are unlawful or injurious to competition. Moreover, approval of this agreement, which reflects compromises among the differing economic and social philosophies of the many nations whose airlines are parties, will advance the public interest in maintaining good aviation relations with other countries.

We request early approval by the Department of the foregoing agreement, pursuant to 49 U.S.C. 41309, and the grant of full antitrust immunity, pursuant to 49 U.S.C. 41308.

The conferral of full antitrust immunity would be in the public interest and necessary for the transaction to proceed. This agreement is a product of the IATA Tariff Coordinating Conferences which the Department found to be anticompetitive but nevertheless approved and immunized in Order 85-5-32 (May 6, 1985) on foreign policy and comity grounds because such action is necessary to achieve the serious transportation need of maintaining good aviation relations with other countries and these benefits are not obtainable by reasonably available means having materially less anticompetitive effects.

Insofar as this agreement concerns fares or rates between non-U.S. points, in which respect they have at most indirect application in foreign air transportation, the U.S. authorities have recognized (e.g. Order 79-8-194, 30 August 1979) that the interests of other sovereign nations in the conditions governing air transportation between them greatly exceed any that the U.S. might have by reason of U.S. airline, citizen or shipper participation. This agreement is not adverse to the public interest or in violation of the Act and, therefore, full immunity should be granted.

Respectfully submitted:

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David M. O'Connor  
Director, Government & Industry Affairs - United States  
International Air Transport Association  
Attorney-in-fact

**CERTIFICATE OF SERVICE**

A copy of this application or a summary notice thereof has been served by first class or priority mail on the following person:

Chief, Transportation, Energy  
& Agriculture Section  
Antitrust Division  
Department of Justice  
Washington D.C. 20530

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David M. O'Connor

31 July 2002  
Date Served



**International Air Transport Association**

IATA Centre, Route de l'Aéroport 33  
P.O. Box 416  
CH-1215 Geneva 15 Airport  
Switzerland

30 July 2002

**M E M O R A N D U M**

PTC COMP 0948

TO: Members Participating in Tariff Coordinating Conferences (SP-2171)

FROM: Director, Interline & Revenue Management Services

SUBJECT: Composite Passenger Tariff Coordinating Conference  
Montreal, 15-19 July 2002  
**Composite Expedited Resolution 002hh**  
Intended Effective Date: 1 November 2002

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Attached is Composite Resolution 002hh which was adopted at the above meeting for an intended effective date of 1 November 2002.

The filing period for the attached Resolution ends **22 August 2002**. Members are reminded of their obligations under Resolutions 001 and 006 to advise this office by the end of the filing period whether approval by their Government authorities is required and, if so, to accomplish the necessary filing formalities. The effective date will be declared in accordance with Resolutions 001 and 006, when all the known necessary Government approvals have been received.

Rodney D. Gill  
Assistant Director, Industry Affairs  
Interline & Revenue Management Services

RESOLUTION FINALLY ADOPTED AT

**COMPOSITE MEETING OF  
PASSENGER TARIFF COORDINATING CONFERENCE**

**MONTREAL, 15-19 JULY 2002**

EXPEDITED EFFECTIVE DATE: 1 NOVEMBER 2002

Filing Period: 13 August 2002 - 22 August 2002

RESO	TITLE	PAGE
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**EXPEDITED**  
**SPECIAL AMENDING RESOLUTION**  
**KAZAKSTAN**

PTC3(71)002hh				Amending
PTC23(115)002hh				
PTC31(102)002hh				
PTC123(127)002hh				
Filing Period	Begins	13 August 2002	Intended Effectiveness	1 November 2002
	Ends	22 August 2002	Expiry	Indefinite
				Type B

RESOLVED that,

- 1) a) all specified passenger fares, add-ons and related charges for transportation from Kazakhstan shall be denominated in Tenge (KZT)  
b) the manner of revising shall be to convert the USD levels to KZT using the IROE for the period October-December 2002 (to be circulated late September 2002)  
c) the resultant KZT levels shall be rounded in accordance with Resolution 024d, Attachment 'A'
- 2) **Resolution 024a**  
Attachment 'A' is amended by the deletion of Kazakhstan
- 3) **Resolution 024e**  
Attachment 'A' is amended as follows

ATTACHMENT 'A'

**COUNTRY    SOURCE**

**Kazakstan**    ~~Fares and related charges shall be converted to Tenge using the applicable commercial bankers rate of exchange in effect on the date of the transaction~~

The bankers rate means the selling rate published by the National Bank of Kazakstan on each Monday. This rate will be applicable from Monday of the same week up to and including Sunday

**EXTRACT FROM MINUTES**

**Composite Meeting of Passenger Tariff Coordinating Conferences  
Montreal, 15-19 July 2002**

**CHANGES TO RESOLUTIONS****EFFECTIVE 1 NOVEMBER 2002****RESOLUTION 024a - ESTABLISHING PASSENGER FARES AND RELATED CHARGES****RESOLUTION 024d – CURRENCY NAMES, CODES, ROUNDING UNITS AND ACCEPTABILITY OF CURRENCIES****RESOLUTION 024e - RULES FOR PAYMENT OF LOCAL CURRENCY FARES****Kazakstan**

- 1 In accordance with a new law in Kazakstan, 9Y sought the specification of all fares from Kazakstan in the local currency (KZT). The new rule reads: “in accordance with paragraph 282 of Civil code, the money obligations on territory of the Republic of Kazakstan must be denominated in KZT”.
- 2 In order to accomplish this, 9Y proposed that the USD levels be converted to KZT using the IROE for the period October-December 2002 with the resultant amounts rounded in accordance with Resolution 024d.
- 3 In addition, the following changes would be required to Composite Resolutions:
 

Resolution 024a: delete Kazakstan from Attachment ‘A’.

Resolution 024d: delete the ‘#’ sign in the ‘Acceptability’ column for Kazakstan.

Resolution 024e: the source for Kazakstan should be amended to read: “The bankers rate means the selling rate published by National Bank of Kazakstan on each Monday. This rate will be applicable from Monday of the same week up to and including Sunday”.
- 4 The proposed changes were agreed with the exception of that concerning Resolution 024d. The removal of the ‘#’ sign would permit acceptance of the KZT outside Kazakstan and this was unacceptable to MS. In view of the opposition, this change was defeated.
- 5 Based on the discussions, Resolution 002hh was developed to reflect the amended proposal.

**Resolution 002hh - Special amending Resolution**

- 6 The amendments agreed for Kazakstan in Resolutions 024a and 024e were contained in Resolution 002hh. There being no objection, the Resolution was adopted.
- 7 When the appropriate IROE was available, the fares from Kazakstan would be converted to KZT and the revised fares tables from Kazakstan would be circulated.