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BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION

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DOCKET SECTION

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Agreements Adopted by the Traffic :  
yConferences of the International :  
Air Transport Association :  
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Docket OST-98-

3779

APPLICATION FOR APPROVAL OF AGREEMENTS  
BY THE  
INTERNATIONAL AIR TRANSPORT ASSOCIATION

April 22, 1998

Communications with respect to  
this document should be sent to:

David M. O'Connor  
Director, External Relations - United States  
International Air Transport Association  
1001 Pennsylvania Ave. N.W. #285  
Washington, D.C. 20004

(202) 624-2977

Summary      DOCKET:    **OST-98-**                      DOT ORDER:    **pending**

Date:    April 22, 1998  
Filing fee/IATA Acct:    \$61 - 515  
US/UST involved:    NO  
End of Government Filing Period:    May 15, 1998  
Intended effective date:    **May 16, 1998**  
Agreement:    **PAC/Reso/397** dated March 23, 1998  
                  Reso 850a (Saudi Arabia)

**APPLICATION FOR APPROVAL OF AGREEMENTS**

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 materials 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 Agency Conferences through which IATA Member airlines establish standardized agency arrangements intended to govern agent practices in countries other than the United States. The agreement 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, which makes amendments to the framework agreements forming the charter for ongoing agency programs and/or creates new resolutions pursuant to that framework, should be viewed as part of a dynamic process of IATA Member airline adjustment to governmental and economic factors.

On previous occasions, the Department and CAB have found these framework agreements to be consistent with the public interest. The present agreement does not impair the previous bases for approval and itself is not adverse to the public interest. 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 Agency 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. The subject agreement applies only to marketing arrangements in foreign countries. Department and CAB policy has recognized that U.S. regulatory concerns are more limited than those of other countries and has given special weight to the important public benefit of foreign policy and comity.

Respectfully submitted:

A handwritten signature in cursive script that reads "David M. O'Connor". The signature is written in dark ink and is positioned above a solid horizontal line.

David M. O'Connor  
Regional Director, U.S.  
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 persons:

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

Donald L. Pevsner  
1765 East Riviera Drive  
Merritt Island, FL 32952

  
\_\_\_\_\_  
David M. O'Connor

April 22, 1998  
Date Served