

MEMORANDUM OF CONSULTATIONS

Delegations representing the Governments of India and the United States of America met in Washington D.C., on November 17 and 18, 1999, to discuss operations under the bilateral Air Transport Agreement between India and the United States of 1956 as amended (the "Agreement"). The list of delegations is at Attachment A. The agenda for the discussion is at Attachment B.

At the outset the two delegations addressed issues as a follow up to the 1995 MOC:

(a) Finalizing of the 1995 Agreement

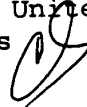
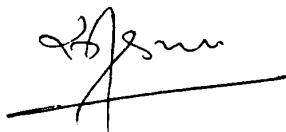
In response to the U.S. query regarding the finalization of the Revised Route Schedule agreed in 1995 and which had become operative on a provisional basis, India confirmed that the necessary constitutional approvals had been obtained and diplomatic notes have been exchanged. The U.S. Government advised that it did not have on record the diplomatic note from the Government of India and India undertook to provide to the United States a copy of such note.

(b) Third Country Code-sharing

As regards the application of TWA to be the fourth U.S. airline to code-share with a third country airline, Royal Jordanian, India advised that it had recently approved the request and that TWA and Royal Jordanian could implement the code-sharing arrangement immediately.

The delegations also discussed other issues. The Indian delegation confirmed, in response to a U.S. inquiry, that all U.S. carriers are permitted to make their own arrangements for screening of passenger baggage in India. The U.S. delegation confirmed, at India's request, that the designated airlines of India and the United States are permitted under the current agreement to operate round-robin services on the present route schedules.

The U.S. side elaborated on its commitment to an 'open skies aviation policy' and indicated that it had negotiated open skies agreements with 38 countries. The United States expressed its readiness to sign an Open Skies Agreement with India. The United States furnished India with a copy of its model Open Skies Agreement which is at Attachment C.



The model text was broadly discussed. India observed that the Air Transport Agreement of 1956 was itself an extremely liberal agreement and the only one of its kind that India has. While India appreciated the approach of the open skies text, it pointed out that there were implications which would need detailed scrutiny and inter-departmental consultation in India and an agreement could only be reached at a future round of negotiations.

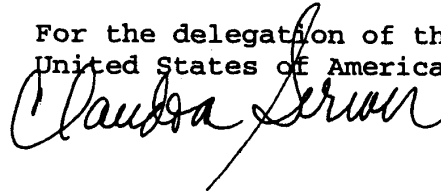
In response to India's concern about capacity that might be operated under an Open Skies Agreement, the U.S. side offered to discuss a transitional arrangement once India's concerns have been further clarified.

The two sides expressed an intent, pending a further exchange of views and information, to continue discussions on an Open Skies Agreement.

The meeting was held in a friendly and cordial atmosphere.


~~For the delegation~~
of India

For the delegation of the
United States of America



November 18, 1999
Washington, D.C.