

May 31, 1991  
Spain Perm

MEMORANDUM OF CONSULTATIONS

In accordance with the provisions of the Air Transport Agreement between the Government of the United States of America and the Government of Spain, signed on February 20, 1973, as amended ("the Agreement"), and the Memorandum of Consultations of November 27, 1972 ("1972 MOC"), delegations of Spain and the United States met in Washington, May 29-31, 1991. These Consultations were a continuation of the consultations held in Madrid on February 12-15, 1991, in Washington, D.C., on April 15-18, 1991, and in Madrid, May 7-8, 1991. Delegation lists are attached as Attachment I.

The delegations agreed to return to the subject of an agreement on charter services at their next meeting.

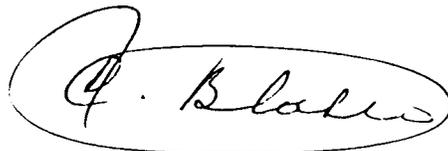
Without prejudice to the interpretation of the Agreement and 1972 MOC by either side, the delegations agreed, ad referendum, upon the provisions of the Memorandum of Understanding attached as Attachment II, which shall enter into force by an exchange of diplomatic notes. The Delegations further agreed that they would recommend to their respective Governments that, pending signature of the Memorandum of Understanding, their Aeronautical Authorities will permit operations in accordance with the provisions of the Memorandum of Understanding on the basis of comity and reciprocity.

For the Delegation of Spain



For the Delegation of the  
United States of America

Paul R. Wisgerhof  
Chairman



Carlos Blasco Villa  
Chairman

Washington, May 31, 1991

U.S. - Spain Civil Aviation Negotiations  
May 29-31, 1991

U.S. Delegation

Paul R. Wisgerhof, Chairman  
Director  
Office of Aviation Negotiations  
Department of State

Jeffrey Gaynes  
Assistant Director for Regulatory Affairs  
Department of Transportation

Cornelia M. Weierbach  
Office of Aviation Negotiations  
Department of State

Ron Miller  
Office of International Aviation  
Department of Transportation

Robert Harris  
Office of the Legal Advisor  
Department of State

Peter B. Schwarzkopf  
Office of the General Counsel  
Department of Transportation

T. Frank Foulger  
Office of Western European Affairs  
Department of State

Nathaniel Wilson, Jr.  
Air Transport Association

Courtney Railey  
Airport Operators' Council International

Ralph Ditano  
National Air Carriers' Association



U.S. - Spain Civil Aviation Negotiations  
May 29-31, 1991

Spanish Delegation

Carlos Blasco Villa Chairman  
Director General for International Economic Relations  
Ministry of Foreign Affairs

Jesus Perez Blanco  
Subdirector General for Air Transport Operations  
Ministry of Transportation and Public Works

Manuel de la Camara  
Commercial Counselor  
Embassy of Spain

Julieta Lainez  
Ministry of Transportation and Public Works

Arturo Cardelus  
Chief Executive Officer  
Intercontinental Division  
Iberia Airlines

Celestino Pena  
U.S. Counsel  
Iberia Airlines

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MEMORANDUM OF UNDERSTANDING

The Government of the United States of America and the Government of Spain, noting that, in accordance with the provisions of the Air Transport Agreement between the Government of Spain and the Government of the United States of America, signed on February 20, 1973 (Agreement), and the Memorandum of Consultations of November 27, 1972 (1972 MOC), delegations of Spain and the United States met in Washington, May 29-31, 1991, and that these consultations were a continuation of the consultations held in Madrid, February 12-15, 1991, in Washington, D.C., April 15-18, 1991, and in Madrid, May 7-8, 1991, have, without prejudice to the interpretation of the Agreement and 1972 MOC by either side, reached the following agreement:

1. The delegations had concluded appropriate consultations called for by the provisions of the 1972 Memorandum of Consultations.
2. A designated U.S. airline shall be entitled to commence services from Atlanta to Spain on U.S. Route 1 of the Agreement, effective April 1, 1991, or thereafter as requested by the airline. The Spanish Aeronautical Authorities shall grant such an airline the appropriate operating permissions necessary to enable it to commence services by that date.
3. The Spanish Aeronautical Authorities shall grant appropriate operating permissions to AMERICAN AIRLINES (AA) to initiate services from Miami to Spain on U.S. Route 1 of the Agreement, effective June 1, 1991, or thereafter as requested by the airline.
4. The Spanish Aeronautical Authorities shall grant appropriate operating permissions to UNITED AIRLINES (UA) to initiate services from Washington, D.C., to Spain on U.S. Route 1 of the Agreement, effective June 1, 1991, or thereafter as requested by the airline.
5. The Spanish Aeronautical Authorities shall grant appropriate operating permissions to CONTINENTAL AIRLINES (CO) to initiate services from New York (Newark) to Spain, and beyond on U.S. Route 2 of the Agreement, effective April 1, 1993, or thereafter as requested by the airline. Continental Airlines shall not operate more than seven round trip frequencies per week until March 31, 1994, with the capacity provisions of the Agreement and the 1972 MOC to apply thereafter.

The United States assures Spain that, following designation (1991) of Continental Airlines into the New York - Spain market, and until March 31, 1995, should one of the three designated U.S. carriers terminate service **in** that market (cease to provide service for a period in excess of 180 days or announce its permanent departure from the market), the United States would not replace that carrier. If, before Continental enters into the market, one of the two operating U.S. carriers terminates service in that market (ceases to provide service for a period in excess of 180 days or announces its permanent departure from the market), Continental shall be entitled immediately to commence service with no restrictions. If, after Continental enters the market and before March 31, 1994, one of the two currently operating U.S. carriers terminates service in that market (ceases to provide service for a period in excess of 180 days or announces its permanent departure from the market), all restrictions on Continental's operations shall be lifted. In any event, including the event that Continental does not exercise the authority provided pursuant to this paragraph and the U.S. withdraws Continental's designation, Spain assures the United States of its right to maintain a minimum of two designated carriers in the New York - Spain market.

6. The existing Route Schedules annexed to the Agreement shall be replaced with the following, which shall be designated as "ANNEX I, SCHEDULED AIR SERVICES":



ANNEX

SCHEDULED AIR SERVICES

A. Route Schedule for the United States:

An airline or airlines designated by the Government of the United States shall be entitled to operate air services on each of the specified routes, in both directions, and to make scheduled landings in Spain at the points specified in this paragraph:

1. From the United States 1/ via the Azores 2/ and Lisbon (Portugal) 2/ to Madrid, Barcelona, Malaga, and Palma de Mallorca as coterminals; 4/
2. From the United States 1/ via the Azores 2/ and Lisbon (Portugal) to Madrid and Barcelona and beyond to points 5/ in southern France, Italy, Greece, Algeria, Tunisia, Libya, Arab Republic of Egypt, Uganda, Kenya, Tanzania, Turkey, Israel, Lebanon, Jordan, Iraq, Syria, Saudi Arabia, countries in the Arabian Peninsula, Iran, Afghanistan, Pakistan, India, and beyond; 6\_/
3. For all-cargo services only: From the United States via intermediate points to a point or points in Spain and beyond

Notes to the Route Schedule for the United States

- may not serve points in
- (1) Flights serving Miami or San Juan Spain other than Madrid.
    - (2) Only one airport may be served in the Azores on any one flight.
  - (3) Without traffic rights between Portugal (including the Azores) and Malaga and between Portugal (including the Azores) and Palma de Mallorca.
    - (4) No more than two points in Spain may be served on any flight.
  - (5) Only one point may be served in countries other than Libya, Turkey, Iraq, Iran, and India.
    - (6) Without traffic rights between Spain and points beyond India.
  - (7) On all routes, no rights are granted to carry local, connecting or stopover traffic between points in Spain.
  - (8) Notes (1)-(6), and Note (7) (except as it relates to cabotage) shall not apply to all-cargo services on Route 3.

B. Route Schedule for Spain:

An airline or airlines designated by the Government of Spain shall be entitled to operate air services on each of the specified routes, **in** both directions, and to make scheduled landings in the United States at the points specified in this paragraph:

1. From Spain via a point in Canada to the coterminal points Boston, Baltimore, Washington, Chicago, Los Angeles, Miami, New York, and San Juan, plus three additional points, plus fifteen additional points to be used only on a code-sharing basis with any U.S. airline;
2. From Spain to Miami, and beyond to points in Mexico, Haiti, Jamaica, Spanish-speaking countries in the Caribbean Sea, Trinidad and Tobago, Curacao, Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama, and South America except Argentina, Brazil, French Guiana, Guyana, Paraguay, Suriname and Uruguay.
3. From Spain to San Juan, and beyond to points in Mexico, Haiti, Jamaica, Spanish-speaking countries **in** the Caribbean Sea, Trinidad and Tobago, Curacao, Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama, and South America except Argentina, Brazil, French Guiana, Guyana, Paraguay, Suriname and Uruguay.
4. From Spain to two points in the southern tier of the U.S., and beyond to points in Mexico, Haiti, Jamaica, Spanish-speaking countries in the Caribbean Sea, Trinidad and Tobago, Curacao, Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama, and South America except Argentina, Brazil, French Guiana, Guyana, Paraguay, Suriname and Uruguay.
5. For all-cargo services only: From Spain via intermediate points to a point or points in the United States, and beyond.



Notes to the Route Schedule for Spain

(1) The Government of Spain shall notify the Government of the United States of the point selected in Canada for Route 1 and the new points selected in the United States for Route 1 prior to the commencement of service to any such point or points. The point selected by Spain in Canada and any of the three new points available for selection by Spain under the terms of this Agreement may be changed upon 60 days prior written notice to the Government of the United States by the Government of Spain through diplomatic channels.

(2) No more than two points in the United States may be served on any flight on Route 1, with the exception of points served on a code-sharing basis. Only one airport may be served in the Washington/Baltimore area. The airport selected **will** be notified to the Government of the United States by the Government of Spain prior to the commencement of service. The fifteen code-share points selected **will** be notified to the Government of the United States by the Government of Spain prior to the commencement of service. Any one or more of those code-share points may be changed upon 60 days prior written notice to the Government of the United States by the Government of Spain through diplomatic channels.

(3) For Route 4, the points selected shall be selected from the three new points listed in Route 1, and shall be chosen from among points in the States of Texas, Oklahoma-, Arkansas, Louisiana, Mississippi, Alabama, Tennessee, North Carolina, South Carolina, Georgia, and Florida.

(4) On all routes, no rights are granted to carry local, connecting or stopover traffic between points in the United States.

(5) Notes (1)-(3), and Note (4) (except as it relates to cabotage) shall not apply to all-cargo services on Route 5.

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C. Route Flexibility

Each designated airline may, on any or all flights and at its option:

1. operate flights in either or both directions;
2. combine different flight numbers within one aircraft operation;
3. serve points on the routes in any combination and in any order (which may include serving intermediate points as beyond points and beyond points as intermediate points);
4. omit stops at any point or points; and,
5. without prejudice to Article 9 of the Agreement, transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes;

without directional or geographical limitation and without loss of any right to carry traffic otherwise permissible under this Agreement; provided, that the service begins or terminates in the territory of the Contracting Party designating the airline.

D. Change of Gauge

Without prejudice to paragraph 7 of the Memorandum of Consultations of November 27, 1972, the designated airlines of the respective parties may change aircraft at Miami on Route 2 for Spanish carriers, and at Madrid or Barcelona on Route 2, for U.S. carriers, to not more than four aircraft, provided that the total capacity of the aircraft operating beyond that point bear a reasonable relationship to the capacity of the aircraft operating from or to the territory of the party which has designated the airline, and provided that the aircraft operating beyond the point of change are scheduled only in coincidence with the incoming aircraft to ensure true and genuine continuing service.

Without prejudice to paragraph 7 of the Memorandum of Consultations of November 27, 1972, the designated airlines of Spain may change aircraft at the points selected on Route 4 to not more than two aircraft, provided that the total capacity of the aircraft operating beyond the points bear a reasonable relationship to the capacity of the aircraft operating from or to the territory of the party which has designated the airline, and provided that the aircraft operating beyond the point of change are scheduled only in coincidence with the incoming aircraft to ensure true and genuine continuing service.

Where services beyond the change of gauge point are operated through authorized blocked space, code share, or other cooperative marketing arrangements, the reference above to "the capacity of the aircraft operating beyond that point" shall refer to that portion of the capacity on the aircraft that is being held out for sale by the designated airline.

If by reason of unforeseen operational or mechanical problems, a designated airline must operate an aircraft of a different size than that scheduled, then, in that specific instance, the airline may operate the change of gauge without regard to the capacity limitation set forth above.

E. Code Share

In operating or holding out the authorized services on the agreed routes, a designated airline of either Party, which holds appropriate authority to provide such service, may on the basis of reciprocity, and subject to the requirements normally applied to such agreements, enter into cooperative marketing arrangements with another airline which also holds appropriate authority, provided that the arrangement does not include cabotage or revenue pooling.

7. Entry into Force. This Memorandum of Understanding shall form an integral part of the Agreement, and shall be applied provisionally upon signature. This agreement shall enter into force on the date of an exchange of diplomatic notes indicating that this agreement has been approved by the respective parties in accordance with their constitutional requirements.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at \_\_\_\_\_, in duplicate, this \_\_\_\_\_ day of \_\_\_\_\_, 1991, in the English and Spanish languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA: SPAIN:

FOR THE GOVERNMENT OF