

10/21/99

MEMORANDUM OF CONSULTATIONS

Delegations representing the State of Qatar and the United States of America met in Washington, D.C., October 21, 1999, to discuss the establishment of an open-skies regime that would govern air services between their countries. A list of both delegations appears as Attachment A.

The delegations noted the positive relationship between the countries, and agreed that conclusion of an open-skies air transport agreement would enhance for both countries current and future benefits brought by air services.

The cordial and productive discussions resulted in the delegations reaching agreement, ad referendum, and initialing the text of an Air Transport Agreement between the Governments of the United States of America and Qatar (Attachment B). The delegations intend that the Agreement be signed and provisionally applied, in accordance with Article 17, once the Government of Qatar has taken the necessary steps to ensure that it can meet its obligations under the Agreement. In particular, the delegations discussed Article 8, paragraphs 1 and 4 concerning the rights to establish offices and engage in direct sales of air transportation, and Article 8, paragraph 3 concerning ground handling. The Qatari delegation assured that the Government of Qatar would work expeditiously to take the necessary steps regarding this Article so that the Agreement may be signed and provisionally applied as soon as possible, and subsequently complete its internal procedures to bring the Agreement into force.

The delegation from Qatar noted its desire to designate Qatar Airways and Gulf Air as airlines to operate under the Agreement.

With respect to Gulf Air, the delegations discussed the requirement of Article 3, paragraph 2 of the Agreement that substantial ownership and effective control be vested in the Party, or the nationals of the Party, designating an airline to operate under the Agreement. Notwithstanding this requirement, the U.S. delegation indicated that, upon signature and provisional application of the Agreement, its aeronautical authorities intend to grant a waiver from the ownership and control requirements for Gulf Air, provided that:

.c.8

First, on a service to/from the United States, should Gulf Air's last point of departure from or first point of arrival in the territory of any of the four Gulf Air owner-countries be other than Qatar, the aviation regime in effect between the United States and that country would control the rights available to Gulf Air. However, should Gulf Air's last point of departure from or first point of arrival in the territory of the four owner-countries be at a point located in Qatar, the full scope of open-skies rights will apply.

Second, for scheduled and charter all-cargo service, notwithstanding Annex I, Section 1(B)(2), and Annex II, Section 1, Gulf Air may exercise rights between the United States and third countries provided that the service is part of a continuous operation that serves a point in Qatar which is the first point of arrival or last point of departure.

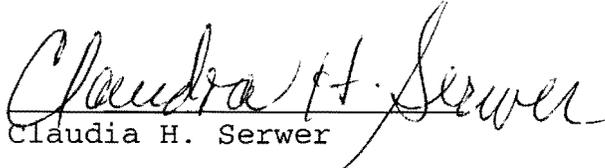
The United States intends to lift these limitations at such time as all owner-countries of Gulf Air enter into open-skies agreements with the United States.

Done in Washington, D.C.
21 October 1999

For the Delegation of the
State of Qatar


Abdul Aziz Muhammad Al-Noaimi

For the Delegation of the
United States of America


Claudia H. Serwer