

No. 27314

**MEXICO
and
UNITED STATES OF AMERICA**

**Exchange of letters constituting an agreement concerning
reduced air fares and charter air services. Mexico City,
20 January 1978**

Authentic texts: English and Spanish.

Registered by Mexico on 7 June 1990.

**MEXIQUE
et
ÉTATS-UNIS D'AMÉRIQUE**

**Échange de lettres constituant un accord relatif aux vols à
tarifs réduits et aux services de vols affrétés. Mexico,
20 janvier 1978**

Textes authentiques : anglais et espagnol.

Enregistré par le Mexique le 7 juin 1990.

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED MEXICAN
STATES AND THE GOVERNMENT OF THE UNITED STATES
OF AMERICA CONCERNING REDUCED AIR FARES AND
CHARTER AIR SERVICES

I

EMBASSY OF THE UNITED STATES OF AMERICA
MEXICO, D.F.

January 20, 1978

Dear Mr. Secretary:

During the talks which took place in Washington, D.C. during September and December, 1977 and in Mexico City during November, 1977, an *ad referendum* agreement was reached on the terms of the amendment and extension of the Air Transport Agreement between our two governments. This Agreement was signed and implemented in Mexico City on January 20, 1978.²

In addition, further *ad referendum* agreements were reached with respect to reduced air fares and charter air services. With respect to reduced air fares, our respective delegations agreed to the following undertaking:

“Both Governments undertake to increase opportunities for the transportation of passengers and cargo of the air lines designated by the parties. They will therefore encourage the designated airlines of both countries to:

- (1) Offer services at the lowest possible fares and rates;
- (2) Propose, implement and apply, innovative reduced passenger and cargo fares and rates which are reasonably related to the individual carrier's costs of providing the services, a reasonable level of profits, and the characteristics of each type of service, so long as the fares and rates do not result in predatory and/or ruinous competition and provided that the procedures set forth in Article 11 are followed.”

With respect to charter air services, it has been agreed *ad referendum* that the Memorandum of Understanding Relating to Charter Air Services shall be applicable to the provision of such services between our two countries. The text of this Memorandum is as follows:

“Recognizing the importance with which charter flights contribute to air transport and tourism for the benefit of passengers and shippers, the desirability of permitting charter flight operations with the fewest possible restrictions, and the desirability of ensuring certainty in the conditions under which charter flights operate,

¹ Came into force on 20 January 1978, the date of the letter in reply, in accordance with the provisions of the said letters.

² United Nations, *Treaty Series*, vol. 402, p. 177.

each party will continue to apply liberal policies with regard to charter flight operations by the airline of the other party.

“Specifically, each party shall:

(A) Recognize as charterworthy in operations between their two countries all charter categories and characteristics of each category authorized by the appropriate aeronautical authorities of the other party as of the date on which this Memorandum of Understanding is signed. Each party will keep the other party informed with regard to any subsequent changes made by its aeronautical authorities with regard to charter categories or characteristics of any category. Such information shall be transmitted within thirty (30) days of the effective date of any such changes.

All such changes will be accepted by the other party unless, solely with regard to any change in charter categories, the other party requests consultations within thirty (30) days of receipt of notification of any such change.

(B) Issue appropriate permits to airlines designated by the other party for charter flight operations. The designated airlines must present their applications and/or flight programs for approval at least sixty (60) days in advance, unless a shorter period is permitted by the aeronautical authorities of the receiving party. Such applications will be acted upon within no more than fifteen (15) days, except in the case of any application concerning which consultations are requested.

(C) Simplify and expedite administrative requirements pertaining to charter flight operations, rules, and regulations, which administrative requirements shall be applied on a non-discriminatory basis.

(D) Monitor the development of charter flight services.

(E) Exempt on a basis of reciprocity from customs duties, excise taxes, inspection fees and other national duties or charges airline schedules, travel brochures and pamphlets, travel posters, and other printed matter directed at promoting and/or facilitating international travel or tourism and imported by the airlines of one party into the territory of the other party for use and distribution therein.

(F) Have the right to consult regarding any point that may arise concerning this Memorandum, which consultations shall begin no later than thirty (30) days from the date on which a request therefor is received. Prior to any contemplated disapproval of any application for a charter flight or program, the party contemplating such disapproval shall notify the other party and afford an opportunity for consultations. A request for consultations shall not relieve either party from the undertakings specified in this Memorandum.

“Charter flights for traffic originating in Mexico with destination in the United States shall be subject to special authorization by the Mexican aeronautical authorities.

“At any time either party may notify the other party of its intention to terminate the present Memorandum of Understanding. In the event that such notification is given, the Memorandum shall lapse six (6) months after the date on which the notice of termination was received, except by agreement between the parties that notification is cancelled prior to the end of such period.

“This Memorandum of Understanding shall remain in force until December 31, 1982, unless otherwise terminated as provided in paragraph (F) above.”

It would be appreciated if you would advise me whether the foregoing reflects the understanding of the Mexican Government with respect to the agreements reached during the course of the discussions just completed. It is further proposed that this letter and your reply expressing concurrence shall constitute an agreement to implement the above-mentioned agreements or reduced air fares and charter services on the date of your letter of reply.

Accept, Excellency, the renewed assurance of my highest consideration.

PATRICK J. LUCEY
Ambassador

His Excellency Lic. Emilio Mujica Montoya
Secretary of Communications and Transport
Mexico (D.F.)

II

[SPANISH TEXT — TEXTE ESPAGNOL]

DIRECCIÓN GENERAL DE AERONAUTICA CIVIL
DEPTO. DE TRANSPORTE AÉREO INTERNACIONAL

México, D.F., enero 20, 1978

2412

Me permito referirme a su atenta carta fechada el día de hoy, la cual traducida al español dice lo siguiente:

“... Durante las pláticas que tuvieron lugar en la Ciudad de Washington, D.C. en septiembre y diciembre, 1977 y en la Ciudad de México en noviembre, 1977 se llegó a un acuerdo *ad referendum* sobre los términos de la modificación y prórroga del Convenio sobre Transportes Aéreos entre nuestros dos Gobiernos. Este acuerdo fue firmado y cumplido en la Ciudad de México el 20 de enero de 1978.

En adición, se lograron otros acuerdos *ad referendum*, con relación a tarifas reducidas, nuestra Delegación estuvo conforme con lo siguiente:

“Ambos gobiernos se comprometen a incrementar las oportunidades para el transporte de pasajeros y carga, mediante las líneas aéreas designadas por las Partes. Por lo tanto, alentarán a las líneas aéreas designadas de ambos países a;

- (1) Ofrecer servicios con tarifas lo más bajas posibles y
- (2) Proponer implementar y aplicar innovaciones en tarifas de pasaje y carga reducidas, justificadas en relación a los costos de cada una de las líneas aéreas, utilidades razonables y las características de cada servicio, siempre que no se constituyan en una competencia ruinosa y/o predatoria y se respeten los procedimientos previstos en el artículo 11, del Convenio.”

Con relación a los servicios aéreos de fletamento, se ha acordado *ad referendum* que el Memorandum de Entendimiento relativo a los vuelos de fleta-

[TRANSLATION — TRADUCTION]

II

DIRECCIÓN GENERAL DE AERONÁUTICA CIVIL
DEPTO. DE TRANSPORTE AÉREO INTERNACIONAL
MÉXICO, D.F.

20 January 1978

2412

Sir,

I refer to your letter of today's date, which reads as follows:

[*See letter I*]

In this connection, and in accordance with the final paragraph of your letter, I am pleased to inform you that the foregoing reflects the understanding of the Mexican Government with regard to the matters in question.

Accept, Excellency, the renewed assurances of my highest consideration.

GENUINE SUFFRAGE. NO RE-ELECTION

EMILIO MUJICA MONTOYA
Secretary

H. E. Mr. Patrick J. Lucey
Ambassador Extraordinary and Plenipotentiary
of the United States of America to Mexico