

4-8-99

**PROTOCOL
TO THE AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
RELATING TO CIVIL AIR TRANSPORT**

The Government of the United States of America and the Government of the People's Republic of China (hereinafter the "Parties"),

Desiring to expand relations between their countries, to enhance friendship between their peoples, and to facilitate international air transport,

Have agreed to amend the Agreement between the Government of the United States of America and the Government of the People's Republic of China Relating to Civil Air Transport, signed September 17, 1980, as amended (hereinafter "the Agreement") as follows:

Article 1
Designations

Paragraph (1) of Article 3 of the Agreement relating to designations shall be replaced by the following:

(1) Each Party shall have the right to designate in writing through diplomatic channels to the other Party, four (4) airlines to operate the agreed services on either Route A or Route B in Annex I, as applicable, and to withdraw or alter such designations. Airlines designated for Route A may operate combination services, all-cargo services, or both. Airlines designated for Route B may operate all-cargo services only. Three of the designated airlines may conduct such operations without delay. The fourth designated airline may conduct such operations as of April 1, 2001.

Article 2
Code Sharing

Subparagraph (2) of paragraph 5 of Article 11 of the Agreement relating to code sharing shall be replaced by the following:

(2) In addition to the rights available to the designated airlines of both Parties pursuant to subparagraph (1) above, U.S. and Chinese airlines shall be entitled to engage in code sharing operations as follows:

(a) Any designated Chinese airlines may code share with any U.S. airlines between the points in the United States provided for in Annex I, section II, subsection A and:

- (i) from October 27, 1998 to March 31, 2000: 10 additional points;
- (ii) from April 1, 2000 to March 31, 2001: 15 additional points;
- (iii) from April 1, 2001 to March 31, 2002: 25 additional points; and
- (iv) from April 1, 2002: 30 additional points

in the United States to be selected by the Government of the People's Republic of China, and also may code share between the points in the United States provided for in Annex I, section II, subsection A.

(b) Any designated Chinese airlines may code share with any U.S. airlines between the following points in the United States: Detroit, New York, Chicago, San Francisco, Los Angeles, Honolulu, Seattle, Anchorage, Fairbanks, Atlanta, Portland, and any other points in the United States selected under Route A in Annex I, section II, and the following points in China: Shanghai, Guangzhou, Beijing, and two additional points in China selected for Route A in Annex I, section I.

(c) Any designated Chinese airlines may code share with any U.S. airlines between the points in China provided for in Annex I, section I, subsection A and:

- (i) from April 1, 2000 to March 31, 2001: 6 additional points;
- (ii) from April 1, 2001 to March 31, 2002: 15 additional points;
- and
- (iii) from April 1, 2002: 20 additional points

in China to be selected by the Government of the United States of America, and also may code share between the points in China provided for in Annex I, section I, subsection A.

Article 3
Route Rights

Annex I of the Agreement relating to route rights shall be amended as follows:

A. Section 1 (First Route), section II (Second Route) and section III (All-Cargo Route) shall be replaced by the following section I (Routes for the United States of America) and section II (Routes for the People's Republic of China):

I. ROUTES FOR THE UNITED STATES OF AMERICA

A. Route A: Any airlines designated by the Government of the United States of America for Route A shall be entitled to operate combination and all-cargo services with full traffic rights on the following route, in both directions:

From any point or points in the United States, via Tokyo or another point in Japan, to Shanghai, Guangzhou, Beijing, and two additional points in China to be selected by the Government of the United States of

America from among Chinese airports open to scheduled international operations.

B. Route B: Any airlines designated by the Government of the United States of America for Route B shall be entitled to operate all-cargo services with full traffic rights on the following route, in both directions:

From any point or points in the United States of America, via any intermediate points to any point or points in the People's Republic of China open to scheduled international operations, and beyond to any points outside the People's Republic of China.

II. ROUTES FOR THE PEOPLE'S REPUBLIC OF CHINA

A. Route A: Any airlines designated by the Government of the People's Republic of China for Route A shall be entitled to operate combination and all-cargo services with full traffic rights on the following route, in both directions:

From any point or points in the People's Republic of China, via Tokyo or another point in Japan, to Anchorage, Chicago, Fairbanks, Honolulu, Los Angeles, New York, San Francisco, Seattle, Atlanta, Portland and two additional points in the United States to be selected by the Government of the People's Republic of China from among U.S. airports open to scheduled international operations.

Anchorage, Fairbanks and/or a point in Japan other than Tokyo and Osaka may be used as technical stops in both directions on this route.

B. Route B: Any airlines designated by the Government of the People's Republic of China for Route B shall be entitled to operate all-cargo services with full traffic rights on the following route, in both directions:

From any point or points in the People's Republic of China, via any intermediate points to any point or points in the United States of America open to scheduled international operations, and beyond to any points outside the United States of America.

B. Section IV (Extra Sections) shall be renumbered as section III.

C. Section V (Traffic Rights in Japan/Stopover Rights in the United States) shall be renumbered as section IV.

D. Note 4, at the end of Annex I, shall be replaced by the following:

The People's Republic of China may add a total of two intermediate or beyond points of its own choosing to its routes. These two points may be served with full traffic rights.

Article 4 Capacity Arrangements

Annex V of the Agreement relating to capacity and carriage of traffic shall be amended as follows:

A. Section (1) shall be replaced by a revised section (1) as follows:

(1) Notwithstanding any other provisions of the Agreement, designated airlines of each Party shall be entitled to operate the following number of weekly frequencies, which each Party may allocate to its designated airlines as it wishes:

(a) from April 1, 1999 to March 31, 2000: 35 frequencies;

(b) from April 1, 2000 to March 31, 2001: 44 frequencies;

(c) from April 1, 2001: 54 frequencies,

subject to the limitation, applicable only to combination services, that no more than 39 frequencies may be operated with fifth freedom rights between Japan and China.

B. Section (2) shall be deleted and the following section (2) shall be inserted in its place:

(2) Of the available frequencies, there shall be no limitation on the number of frequencies that may be used for combination or all-cargo services or the number that may be operated by any designated airlines on any route provided for in Annex I.

Article 5
Entry into Force

This Protocol shall provisionally apply upon signature, and enter into force when it has been confirmed by an exchange of notes through diplomatic channels.

IN WITNESS WHEREOF, the undersigned being duly authorized by their respective governments, have signed the present Protocol.

DONE at Washington, in duplicate, this eighth day of April, 1999, in the English and Chinese languages, both texts being equally authentic.

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

**FOR THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA:**

Madeleine Albright

Thomas E. Blaker

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