

Unofficial translation

Prague, ¹⁴ February 2002
No. 142793/2001-MPO

Excellency:

I have the honour to acknowledge the receipt of your note of 4 June 2001 which states the following:

Excellency:

I have the honour to refer to the Air Transport Agreement, with Annexes, between the Government of the United States of America and the Government of the Czech Republic, signed at Prague September 10, 1996 (the "Agreement") and to propose that the Agreement be amended as follows:

1. Article 8, Section 7 of the Agreement shall be amended by replacing it, in its entirety, with the following:

7. In operating or holding out the authorized services on the agreed routes, any designated airline of one Party may enter into cooperative marketing arrangements such as blocked-space, code-sharing or leasing arrangements, with

- (a) an airline or airlines of either Party;*
- (b) an airline or airlines of a third country, provided that such third country authorizes or allows comparable arrangements between the airlines of the other Party and other airlines on services to, from and via such third country; and*
- (c) a surface transportation provider of any country;*

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provided that all participants in such arrangements (i) hold the appropriate authority from both Parties and (ii) meet the requirements normally applied to such arrangements by each Party.

2. *Annex I, Scheduled Air Transportation, to the Agreement shall be amended by replacing it, in its entirety, with the following:*

ANNEX I

Scheduled Air Transportation

Section 1

Routes

Airlines of each Party designated under this Annex shall, in accordance with the terms of their designation, be entitled to perform scheduled international air transportation between points on the following routes:

- A. Routes for the airline or airlines designated by the Government of the United States:*
 - 1. From points behind the United States via the United States and intermediate points to a point or points in the Czech Republic and beyond.*
 - 2. For all-cargo service or services, between the Czech Republic and any point or points.*

- B. Routes for the airline or airlines designated by the Government of the Czech Republic:*
 - 1. From points behind the Czech Republic via the Czech Republic and intermediate points to a point or points in the United States and beyond.*
 - 2. For all-cargo service or services, between the United States and any point or points.*

Section 2

Operational 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;*

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3. *serve behind, intermediate, and beyond points and points in the territories of the Parties on the routes in any combination and in any order;*
4. *omit stops at any point or points;*
5. *transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes; and*
6. *serve points behind any point in its territory with or without change of aircraft or flight number and may hold out and advertise such services to the public as through services; without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement; provided that, with the exception of all-cargo services, the service serves a point in the territory of the Party designating the airline.*

Section 3

Change of Gauge

On any segment or segments of the routes above, any designated airline may perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated; provided that, with the exception of all-cargo services, in the outbound direction, the transportation beyond such point is a continuation of the transportation from the territory of the Party that has designated the airline and, in the inbound direction, the transportation to the territory of the Party that has designated the airline is a continuation of the transportation from beyond such point.

3. *Section 1 of Annex II, Charter Air Transportation, to the Agreement shall be amended by replacing it, in its entirety, with the following:*

Airlines of each Party designated under this Annex shall, in accordance with the terms of their designation, have the right to carry international charter traffic of passengers (and their accompanying baggage) and/or cargo {including, but not limited to, freight forwarder, split, and combination (passengers/cargo) charters}:

Between any point or points in the territory of the Party that has designated the airline and any point or points in the territory of the other Party; and between any point or points in the territory of the other Party and any point or points in a third country or countries, provided that, except with respect to cargo charters, such service constitutes part of a continuous operation, with or without a change of aircraft, that includes service to the homeland for the purpose of carrying local traffic between the homeland and the territory of the other Party.

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In the performance of services covered by this Annex, airlines of each Party designated under this Annex shall also have the right:

- 1. to make stopovers at any points whether within or outside of the territory of either Party;*
- 2. to carry transit traffic through the other Party's territory; and*
- 3. to combine on the same aircraft traffic originating in one Party's territory, traffic originating in the other Party's territory, and traffic originating in third countries.*

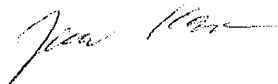
Each Party shall extend favourable consideration to applications by airlines of the other Party to carry traffic not covered by this Annex on the basis of comity and reciprocity.

If this proposal is acceptable to the Government of the Czech Republic, I have the honour to propose that this Note and Your Excellency's affirmative Note in reply shall constitute an agreement between our two governments which shall enter into force on the date of Your Excellency's Note in reply.

Accept, Excellency, the assurances of my highest consideration.

I have the honour to inform Your Excellency that the proposals stated in the above note are acceptable to the Government of the Czech Republic. Accordingly, this note and Your Excellency's note constitute the Agreement between the Government of the Czech Republic and the Government of the United States of America amending the Air Transport Agreement between the Government of the Czech Republic and the Government of the United States of America, signed in Prague on 10 September 1996, which enters into force on the date of this note.

Accept, Excellency, the assurances of my highest consideration.



His Excellency
Mr. Craig Roberts Stapleton
Ambassador of the United States of America
Prague