No. 069/02

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Ecuador and refers to the Air Transport Agreement, with Annexes, signed by representatives of our two Governments at Washington September 26, 1986, to the exchange of notes at Quito on October 23 and December 19, 1995, which modified Annex 1 of the 1986 Agreement, and to the exchange of notes at Quito on May 20 and July 1, 1999, which extended application of the 1986 Agreement (as modified) until June 30, 2000. Embassy also refers to its note no. 175/01 of December 20, 2001 and to the Ministry's note no. 9392/2002-DGSL of February 21, 2002, regarding further extension of application of the 1986 Agreement.

In accordance with the consultations held
between our two Governments on May 29-30, 2002, the
Embassy proposes, on behalf of the Government of the
United States of America, that the competent
authorities of the United States of America and the
Republic of Ecuador continue to permit operations in
accordance with the terms of the 1986 Agreement; and
that Annex I, as modified, and Annex II of the 1986

Agreement govern air services between the two countries through June 30, 2003.

In conformity with the understanding reached in the aforementioned consultations, the Embassy further proposes that paragraphs (1) and (2) of Section 3 of Annex I of the 1986 Agreement, as applied between the two countries, be modified to read as follows:

"(1) The designated airlines of each Party may operate a maximum number of round trip combination frequencies per week over the routes specified in Section 2 of this Annex as follows:

Between a point or points in Ecuador and the following gateways in the United States:

Miami	;	23
New York		15
Any Points (footnote 1)	:	11
Points other than Miami and New York (footnote :	2)	11

For the purpose of counting these frequencies, the term "gateway" is understood to mean the first point of entry into or the last point of departure from the territory of either Party.

(footnote 1) To be allocated by each Government among any gateways permitted under Section 2 of this Annex.

- (footnote 2) To be allocated by each Government among any gateways permitted under Section 2 of this Annex excluding Miami and New York.
- (2) The airlines of each Party designated for allcargo service may operate a maximum of 30 round trip all-cargo frequencies per week over the routes specified in Section 2 of this Annex."

The Embassy further proposes that paragraph 3 of Section 3 of Annex I of the 1986 Agreement shall not be applied between our two countries.

Finally, the Embassy proposes that if acceptable to the Government of the Republic of Ecuador, this note and Your Excellency's affirmative note in reply shall constitute an agreement between the United States of America and the Republic of Ecuador which shall enter into force on the date of the Ministry's note in reply.

The Embassy takes this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

Embassy of the United States of America
Quito, July 15, 2002