

**SERVED** MAR 21 1996



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Issued by the Department of Transportation  
on the 21st day of March, 1996

*QA 8/14/3*

International Air Transport Association

**AGREEMENT RELATING TO LIABILITY**

**LIMITATIONS OF THE WARSAW CONVENTION**

Docket OST-95-232 - 24  
(49 152)

**ORDER EXTENDING DISCUSSION AUTHORITY**

By Orders 95-2-44, 95-7-15, and 96-1-25 the Department granted and extended discussion authority and antitrust immunity to IATA for the purpose of reaching an Agreement among carriers to waive the liability limits of the Warsaw Convention. In Order 95-2-44 we agreed with IATA that the Montreal intercarrier Agreement of 1966 must be brought up to date, and we set forth guidelines for such an agreement which reflect the basic objectives which we have pursued in our efforts to secure ratification of the Montreal Protocols and creation of a supplemental compensation plan.<sup>1</sup> Orders 95-7-15 and 96-1-25 incorporated the same guidelines. The discussion authority expires on April 1, 1996.

As a result of the IATA discussions, an IATA Intercarrier Agreement (IIA) was unanimously endorsed at the IATA Annual General Meeting in Kuala Lumpur on October 31, 1995, which requires signatory carriers to take action, by November 1, 1996, to waive the Convention's limitation of passenger liability, "so that recoverable compensatory damages may be determined and awarded by reference to the law of the domicile of the passenger," and to encourage other carriers to do the same.<sup>2</sup> There was further consideration of the

<sup>1</sup> Order 95-2-44, at p. 3.

<sup>2</sup> IATA has provided the Department with copies of the final resolution and the Intercarrier Agreement in a letter dated November 27, 1995.

IIA and its implementation at an IATA meeting in Miami on January 31, 1996. Productive discussions between the Department and IATA representatives indicate that further IATA discussions regarding the plan to implement the Intercarrier Agreement would be useful before these agreements are filed with Governments for approval.

In order to facilitate the further discussions, the Department is sua *sponte* extending the April 1, 1996 expiration date of the discussion authority and related antitrust immunity to July 1, 1996. Other than a change in the date for expiration of the discussion authority and related antitrust immunity, no other changes are being made to Order 96-1-25.

**ACCORDINGLY:**

1. The date April 1, 1996 shall be deleted from Ordering paragraph 1 of Order 96-1-25, and the date July 1, 1996 substituted in place thereof.
2. Except as provided in paragraph 1 of this Order, Order 96-1-25 shall remain in full force and effect according to its terms, without other modification.
6. We will serve a copy of this order on all parties in the above-titled docket, and on the Departments of State and Justice.

By:

CHARLES A. HUNNICUTT  
Assistant Secretary for Aviation  
and International Affairs

(SEAL)

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