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DEPT. OF TRANSPORTATION  
DOCKET SECTION

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**BEFORE THE  
U.S. DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

International Air Transport Association:  
Agreement Relating to Liability Limitations  
of the Warsaw Convention

Docket OST-95-232 - 28

Air Transport Association of America:  
Agreement Relating to Liability Limitations  
of the Warsaw Convention

Docket OST-96-1607 - 3

**THE AEROSPACE INDUSTRIES ASSOCIATION'S  
MEMORANDUM IN SUPPORT OF  
APPLICATIONS FILED BY IATA AND ATA  
FOR APPROVAL OF AGREEMENTS RELATING TO  
LIABILITY LIMITATIONS OF THE WARSAW CONVENTION**

Communications with respect to  
this document should be sent to:

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Attorneys for the Aerospace Industries  
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August 21, 1996

AIA -- August 21, 1996

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**I. SUMMARY**

The Aerospace Industries Association ("AIA"), on behalf of its 52 members, including suppliers of commercial aircraft, their engines and other component parts, hereby urges the Department of Transportation ("DOT") to approve promptly the applications recently filed by the International Air Transport Association ("IATA") and the Air Transport Association ("ATA") for approval of agreements relating to the liability limitations of the Warsaw Convention.

## II. ARGUMENT IN SUPPORT OF APPLICATIONS

The existing liability limitations applicable to international air transportation are badly outdated. They unreasonably restrict the rights of the airlines' passengers and their families to adequate compensation for their losses and are unnecessarily protective of a mature airline industry. The existing limitations are also inequitable in their impact on third-parties, such as AIA members, whom passengers or their families are frequently forced to sue in an attempt to obtain adequate monetary compensation for their losses. Lengthy delays, unnecessary transaction costs, and inequitable results have been the norm in such litigation.

Under the IATA Inter-carrier Agreement on Passenger Liability ("IIA"), the Agreement on Measures to Implement the IATA Inter-carrier Agreement ("MIA"), and the ATA Implementing Provisions Agreement ("IPA"), once approved by the DOT, international passengers will have the benefit of a liability system better than that available to domestic U.S. passengers. In order to recover from the air carrier, domestic U.S. passengers have the burden of proving that the air carrier failed to exercise the highest degree of care. Under the proposed agreements, by contrast, the international passenger will have an absolute right to recover damages up to SDR 100,000 and a presumptive right to recover full damages, except in the rare case in which the air carrier meets its burden of proving that it took all necessary measures to prevent the accident. These voluntary agreements achieve this beneficial result without imposing a surcharge on tickets or creating an administratively complex supplemental-compensation scheme.

The DOT has previously approved as being in the public interest the so-called Japanese Initiative, which was developed by the Japanese air carriers. The IATA and ATA agreements are essentially equivalent to the Japanese Initiative. The AIA urges the DOT to reach the same conclusion with respect to the IATA and ATA applications.

### III. CONCLUSION

The IATA and ATA requests for approval should be granted.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mac S. Dunaway". The signature is written in black ink and is positioned above a horizontal line.

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**CERTIFICATE OF SERVICE**

I certify that on August ~~14~~<sup>21</sup>, 1996, I caused to be served true and correct copies of the foregoing THE AEROSPACE INDUSTRIES ASSOCIATION'S MEMORANDUM IN SUPPORT OF APPLICATIONS FILED BY IATA AND ATA FOR APPROVAL OF AGREEMENTS RELATING TO LIABILITY LIMITATIONS OF THE WARSAW CONVENTION on the following, by United States mail, first-class postage prepaid:

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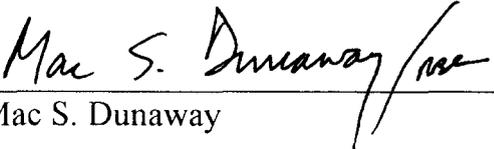
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