

ORIGINAL

DEPARTMENT OF TRANSPORTATION

96 OCT 24 PM 3:43

DOCKET SECTION

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



12810
CA

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

Docket OST-95-232 - 43

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

Docket OST-96-1607 - 13

**THE AEROSPACE INDUSTRIES ASSOCIATION'S
COMMENTS ON ORDER 96-10-7 REGARDING
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:

Mac S. Dunaway
Dunaway & Cross
1146 19th Street, N.W.
Washington, D.C. 20036
(202) 862-9700

Attorneys for the Aerospace Industries
Association

October 24, 1996

17 PPS.

AIA -- October 24, 1996

**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

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

Docket OST-96-1607

**THE AEROSPACE INDUSTRIES ASSOCIATION'S
COMMENTS ON ORDER 96-10-7 REGARDING
APPLICATIONS FILED BY IATA AND ATA
FOR APPROVAL OF AGREEMENTS RELATING TO
LIABILITY LIMITATIONS OF THE WARSAW CONVENTION**

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 reconsider the proposed conditions in its Order 96-10-7 and to approve promptly and unconditionally the agreements relating to the liability limitations of the Warsaw Convention as filed on July 31, 1996 by the International Air Transport Association ("IATA") and the Air Transport Association ("ATA").

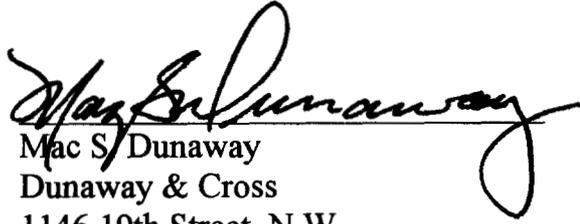
The AIA understands that the conditions proposed in Order 96-10-7 are unacceptable to the foreign air carriers and that if the DOT insists on

unilaterally imposing these conditions, the foreign air carriers will renounce their signatures on the two IATA agreements. If this happens, the existing liability limitations will remain in place, to the great detriment of passengers as well as third parties such as the AIA's members.

As the DOT has recognized, these agreements in the form proposed by the air carriers constitute a "gigantic step" toward curing the inequities of the current liability regime. The DOT's proposed conditions are undoubtedly a good faith effort to achieve additional protections for a subset of U.S. citizens. However, this subset constitutes only a small fraction of all U.S. citizens who fly internationally, and the DOT's attempt to unilaterally impose its proposed conditions jeopardizes the enormous benefit the agreements would yield for the vast majority of U.S. citizens who are international passengers.

In the context of negotiation and compromise, it has been said that half a loaf is better than no bread at all. In the AIA's view, the agreements offered by the air carriers are equivalent to a loaf of bread missing only a thin slice. The AIA believes the DOT should be satisfied with the air carriers' agreements and should approve them without condition and without further delay. Failure to do so will jeopardize all of the progress made to date. The DOT could then attempt to address its remaining concerns on a government-to-government level.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mac S. Dunaway". The signature is written in a cursive style with a large, looping flourish at the end.

Mac S. Dunaway
Dunaway & Cross
1146 19th Street, N.W.
Washington, D.C. 20036
(202) 862-9700

Attorneys for the Aerospace Industries
Association

CERTIFICATE OF SERVICE

I certify that on October 24, 1996, I caused to be served true and correct copies of the foregoing THE AEROSPACE INDUSTRIES ASSOCIATION'S COMMENTS ON ORDER 96-10-7 REGARDING 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:

David M. O'Connor, Esq.
Director External Relations-
United States
International Air Transport Association
1001 Pennsylvania Avenue, N.W.
Suite 285 North
Washington, D.C. 20004

Chief, Transportation Energy &
Agricultural Section
Antitrust Division
Department of Justice
325 7th Street, N.W., Suite 500
Washington, D.C. 20530

Warren L. Dean
Patricia N. Snyder
Dyer Ellis & Joseph
600 New Hampshire Avenue, N.W.
Suite 1000
Washington, D.C. 20037

Bert W. Rein, Esq.
Edwin O. Bailey, Esq.
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Robert P. Warren
General Counsel
Air Transport Association of America
1301 Pennsylvania Avenue, N.W.
Suite 1100
Washington, D.C. 20004-1707

Mr. John Byerly
Deputy Assistant Secretary for
Transportation Affairs
Department of State
2201 C Street, N.W.
Washington, D.C. 20520

Mr. Roger Fones
Chief, Transportation, Energy
& Agriculture Section
Antitrust Division
Department of Justice
555 Fourth Street, N.W.
Washington, D.C. 20001

Mr. Donald H. Horn
Assistant General Counsel
for International Law, OST/C-20
U.S. Department of Transportation
400 Seventh Street, S.W.
Room 10118
Washington, D.C. 20950

Mr. Gerry Mayo
For Delta Air Lines
13 Stillhouse Road
Atlanta, GA 30339

Mr. Ronald Harris
General Secretary
International Union of Aviation Insurers
6 Lovat Lane
London EC3R 8DT England

Ms. Judith M. Trent
Managing Director
Global Aviation Associates, Ltd.
1800 K Street, N.W.
Suite 1104
Washington, D.C. 20006

Mr. Gary Allen
Director, Aviation & Admiralty Litigation
U.S. Department of Justice
1425 New York Avenue, N.W.
#10100
Washington, D.C. 20005

Ms. Anne McNamara
Senior Vice President & General Counsel
American Airlines, Inc.
P. O. Box 619616
Mail Drop 5618
DFW Airport, TX 75261-9616

Mr. Hans Ephraimson-Abt
The American Association for Families
of KAL 007 Victims
P. O. Box 8189
New York, NY 10116-8189

Mr. Robert D. Papkin
Mr. Edward W. Sauer
Mr. Charles F. Dunley II
Squire, Sanders & Dempsey
1201 Pennsylvania Avenue, N.W.
P. O. Box 407
Washington, D.C. 20044

Raymond J. Rasenberger
Frank J. Costello
Zuckert, Scoult & Rasenberger, LLP
888 17th Street, N.W.
Washington, D.C. 20006

Mr. Marc Frisque
Manager, Legal & Social Affairs
Association of European Airlines
Avenue Louise 350
B-1050, Brussels, Belgium
Fax: 011-322-648-4017

Eng. Fahim M. Rayan
President
African Airlines Association
Box 20116
Nairobi, Kenya
Fax: 011-254-250-2504

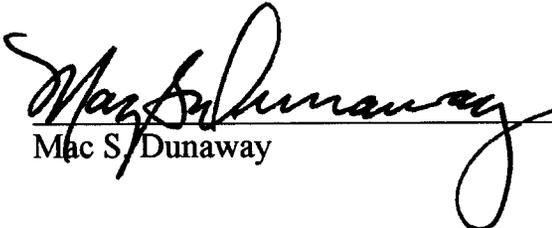
Mr. Edward J. Driscoll
President & CEO
National Air Carrier Association
1730 M Street, N.W.
Washington, D.C. 20036

Mr. Lorne S. Clark
General Counsel and Corporate Secretary
International Air Transport Association
IATA Building
2000 Peel Street
Montreal, Quebec
Canada H3A 2R4
Fax: 514-844-6934

Mr. Richard Stirland
Director General
Orient Airlines Association
P. O. Box 1391 MCPO
Makati, The Philippines 1253
Fax: 011-632-810-3518

Mr. Federico Bloch
President
Asociacion Internacional de Transporte
Aereo Latino Americano
A.A. 98949
Bogota, Colombia
Fax: 011-571-413-9178

Mr. Marcel Pisters
Director General
International Air Carrier Association
Abelag Bldg.
Brussels National Airport B-1930
Zaventem, Belgium
Fax: 011-322-721-2288


Mac S. Dunaway