



18 May 2004

Mr John R. Byerly  
Deputy Assistant Secretary for Transportation Affairs  
Washington, D.C. 20520

Dear Mr Byerly

I have the honour to acknowledge receipt of your letter of this date, which reads as follows:

“In connection with the signing on this date of the United States-Australia Free Trade Agreement (the “Agreement”), the Government of the United States affirms the willingness of its aviation authorities to consult with the aviation authorities of the Government of Australia on developments in international air transport, pursuant to the consultation procedures of the *Air Transport Agreement between the Government of the Commonwealth of Australia and the Government of the United States of America*, done at Washington on 3 December 1946, as amended. Such consultations will be held within two years of the date of this letter, or at any other time the Parties may decide.

The Government of the United States also affirms its willingness to consult with the Government of Australia with respect to realizing the shared objective of a more liberal air transport agreement between our two countries, including liberal ground-handling provisions. The Government of the United States understands that the Government of Australia wishes to review, among other issues, the use of ownership and control criteria for international air carriers in the context of bilateral air transport agreements. The Government of the United States stands ready, as part of such consultations, to review any related developments, recognizing that such a review should take account of the objectives of the Agreement.

The Government of the United States also affirms its wish to promote continued liberalization in international air transportation bilaterally, as well as multilaterally through the Multilateral Agreement on the Liberalization of International Air Transportation.”

I have the further honour to confirm that the Government of Australia shares the desire to promote continued liberalization in international air transportation.

The Government of Australia confirms its willingness for these discussions to begin at the earliest mutually convenient date.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Yuile', with a stylized flourish at the end.

Peter Yuile  
Deputy Secretary  
Department of Transport and Regional Services