

Routes E.1 and E.2            Montreal/Toronto -  
                                 San Francisco/Los Angeles

Routes D.4 and D.5            Edmonton/Calgary -  
                                 San Francisco/Los Angeles

9. Add, in Schedule II, after Routes D.4, D.5, E.1, and E.2 a reference to Footnote (13).

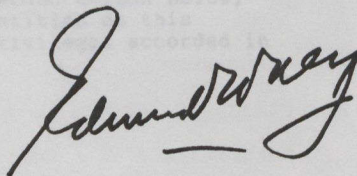
10. Pursuant to Footnote (1) of Schedule II, the Government of Canada may designate two airlines to serve the Halifax - New York segment of Route A.2.

I also have the further honor to propose that, with respect to the Agreement concerning Regional, Local and Commuter Services as effected by an Exchange of Notes at Montreal, August 21, 1984, the two Governments agree as follows:

Paragraph 5.a. of the section on automatic approval shall not apply to the Canadian carrier endorsed to provide service between Ottawa and Boston.

If these proposals are acceptable to your Government, I have the further honor to propose that this Note, together with your Government's positive reply thereto, shall constitute an agreement between our two Governments in the matter, which shall enter into force on the date of your Note in reply.

Accept, Sir, the renewed assurances of my highest consideration.

A handwritten signature in dark ink, appearing to read "Edmund Byrne", with a horizontal line underneath the name.