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*The Secretary of State for External Affairs of Canada to the Ambassador of
the United States of America*

Ottawa, May 8, 1974

EXCELLENCY,

I have the honour to refer to the Nonscheduled Air Service Agreement between the Government of Canada and the Government of the United States of America signed on this date and to your Note of the same date concerning a reservation expressed by your Government with respect to the said Agreement.

In order to facilitate the movement of traffic under the Agreement and to avoid the necessity of cancelling contracts in force between carriers and charterers, I propose, on behalf of my Government, that the following interim arrangements be applied on the coming into force of the Agreement until carriers are issued new or amended licences pursuant to Article III of the Agreement:

1. Any carrier designated by the Government of the United States shall, pending application for, and issuance of, an appropriate license under the Agreement, be deemed to have obtained such a license and to have been authorized to operate nonscheduled air services between the respective territories of Canada and the United States as provided for in the Agreement, provided such carrier (a) holds a valid class 9-4 license issued by the Air Transport Committee of the Canadian Transport Commission, or (b) appears on the current eligible list of the said Committee on the date of the coming into force of the Agreement.
2. Any carrier designated by the Government of Canada shall, pending issuance of an amended foreign air carrier permit under the Agreement, be allowed to operate nonscheduled air services between the respective territories of the United States and Canada as provided for in the Agreement to the maximum extent the Civil Aeronautics Board is legally empowered to do so (e.g. by waiver of its regulations), provided such carrier holds a valid foreign air carrier permit.
3. Any carrier designated by the Government of Canada (other than a carrier also designated under the Air Transport Agreement for service on any route having a terminal or coterminal in Florida or the State of Hawaii), with respect to inclusive tour charter flights by such carriers which are to enplane traffic in Canada and which have been approved by the Air Transport Committee of the Canadian Transport Commission prior to the coming into force of the Agreement, shall be permitted to operate such flights under the Agreement without applicability of the reservation of the Government of the United States.