

while meeting national security requirements.

Given the diverse positions of our trading partners and their varying degrees of willingness to liberalize aviation relations, we must also have a strategy for dealing with countries that are not prepared or willing to join us in moving quickly to an unrestricted air service regime. Our approach is a practical one: It proposes to advance the liberalization of air service regimes as far as our partners are willing to go, and to withhold benefits from those countries that are not willing to move forward. Specifically, we will pursue the following strategy:

1. We will offer liberal agreements to a country or group of countries if it can be justified economically or strategically. We will view economic value more broadly than we have in the past, in terms of both direct and indirect access and in terms of potential future development. Moreover, there may be strategic value in adopting liberal agreements with smaller countries where doing so puts competitive pressure on neighboring countries to follow suit.

2. We recognize that some countries believe that they can resist the trend of economic forces and continue to control access to their markets tightly. We believe that they cannot, and that attempts to do so will ultimately fail. Nevertheless, we will work with these countries to develop alternatives that address their immediate concerns where this will advance our international aviation policy objectives. We will examine alternative approaches that may include departing from established methods of negotiation (perhaps negotiations with two or more trading partners); trying to develop service opportunities for the foreign airline to make service to the U.S. more economically advantageous for it; and continuing our efforts to help those governments and their constituencies appreciate the benefits that unrestricted air services can bring to their economies and industries.

While we work with such countries, we can consider, in the interim, transitional or sectoral agreements.

Transitional agreements—Under this approach, we would agree to a specified phased removal of restrictions and liberalization of the air service market. This approach contemplates that both sides would agree, from the beginning, to a completely liberalized air service regime that would come into effect at the end of a certain period of time.

Sectoral agreements—Traditionally, aviation agreements have covered all elements of air transportation between

two countries. However, as a first step, we can consider agreements that eliminate restrictions only on services in specific aviation sectors, such as air cargo or charter services.

3. For countries that are not willing to advance liberalization of the market, we will maintain maximum leverage to achieve our procompetitive objectives. We can limit their airlines' access to the U.S. market and restrict commercial relations with U.S. airlines. When airlines request authority to serve restricted bilateral markets that is not provided for under an international agreement, we will consider their requests on a case-by-case basis in light of all our policy objectives, including, *inter alia*:

- Whether approval will increase the variety of pricing and service options available to consumers;
- Whether approval will improve the access of cities, shippers and travelers to the international air transportation system;
- The effect of granting code-sharing authority on the Civil Reserve Air Fleet program;
- The effect of the proposed transaction on the U.S. airline industry and its employees. In this regard, we will ascribe greater value to code-sharing arrangements where U.S. airlines provide the long-haul operations. We will also recognize the greater economic value of such arrangements where the services connect one hub to another; and
- Whether the transaction will advance our goals of eliminating operating and market restrictions and achieving liberalization.

If aviation partners fail to observe existing U.S. bilateral rights, or discriminate against U.S. airlines, we will act vigorously, through all appropriate means, to defend our rights and protect our airlines.

Conclusion

We are living through a period in which international aviation rules must change. Privatization, competition, and globalization are trends fueled by economic and political forces that will ultimately prevail. Governments and airlines that embrace these trends will far outpace those that do not. The U.S. government will be among those that embrace the future.

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[Docket No. 50315]

Study of Gambling on Commercial Aircraft

AGENCY: Office of the Secretary, Department of Transportation.

ACTION: Notice of request for comments on study of gambling on commercial aircraft.

SUMMARY: This notice sets forth the elements of an ongoing study of gambling on commercial aircraft. This notice is being published to provide interested persons an opportunity to provide comments on specific questions important to the study.

DATES: Comments must be received no later than May 31, 1995.

ADDRESSES: Comments should be sent to the Docket Clerk, Docket 50315, Department of Transportation, 400 7th Street SW., Plaza 401, Washington, DC 20590. To facilitate consideration of the comments, we ask commenters to file eight copies of each comment. We encourage commenters who wish to do so also to submit comments to the Department through the Internet; our Internet address is dot_dockets@postmaster.dot.gov.¹ However, at this time the Department considers only the paper copies filed with the Docket Clerk to be the official comments. Comments will be available for inspection at this address from 9:00 a.m. to 5:00 p.m., Monday through Friday. Commenters who wish the Department to acknowledge the receipt of their comments should include a stamped, self-addressed postcard with their comments. The Docket Clerk will date-stamp the postcard and mail it back to the commenter.

FOR FURTHER INFORMATION CONTACT:

James H. New, II, Office of Planning and Special Projects, Office of the Secretary, U.S. Department of Transportation, 400 7th Street SW., Room 9215A, Washington, DC 20590, (202) 366-4868.

SUPPLEMENTARY INFORMATION: This study, which is mandated by 49 U.S.C. 41311, requires the consideration of, among other things, the safety and competitive implications of gambling on commercial aircraft. Before this study is

¹ Our X.400 e-mail address is S=dotdockets/OU1=qqmail/O=hq/p=gov+dot/a=attmail/c=us.