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#### CONFIDENTIAL



## EXECUTIVE OFFICE OF THE PRESIDENT MAY 19 1975

### OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

ACTION

MEMORANDUM FOR THE PRESIDENT

Subject: Civil Aeronautics Board Decision: AEROPERU (Empresa

de Transportes Aero

del Peru) Docket 27158

On March 29, 1975 you stayed the Civil Aeronautics Board's proposed order which would have substantially reduced the number of AEROPERU flights weekly between Peru and the United States. The purpose of that action was to permit additional time for a negotiated solution to the civil aviation impasse with the Government of Peru. Such negotiations have not been successful. AEROPERU, with the apparent full backing of the Government of Peru, has not changed its position and seeks to substantially cut back the United States' designated carrier's operations while expanding its own operations.

The Department of State therefore recommends that the stay of the Board's order be lifted promptly. Permitting the Board's order to become effective at this time would have little effect on any future negotiations whose outcome at best is dim. In addition, it would have the positive effect of discouraging other countries from taking restrictive actions on United States' flag carrier operations. (A similar situation is developing in Ecuador.) The attached memorandum from the Department of State provides more detailed information on this matter.

The National Security Council concurs with the Department of State. The Office of Management and Budget and other interested executive agencies defer to the foreign policy conclusions of the Department of State and National Security Council and recommend that you lift the stay on the Board's proposed order. The Counsel's Office concurs.

**DECLASSIFIED** 

E.O. 13526 (as amended) SEC 3.3 NSC Memo, 3/30/06, State Dept, Guidelines By NARA, Date 9/4/2012 -CONFIDENTIAL



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In view of upcoming talks with the Government of Ecuador this week, your prompt action on this matter is also recommended.

> Associate Director for Economics and Government

Attachments

Remove the stay on the Board's proposed order, thereby allowing a substantial reduction in the number of AEROPERU weekly flights to the United States. Sign the attached letter to the Chairman.

See me.

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