

DD 051800Z WASHINGTON
 GRS 220
 CONFIDENTIAL
 DESKBY 051800Z
 FM FCO 051645Z JULY 83
 TO IMMEDIATE WASHINGTON
 TELEGRAM NUMBER 1112 OF 5 JULY
 YOUR TEL NO 1864: LAKER: PTI ACT

W.D. Sassa
 I think this means that we have
 reached a satisfactory agreement.
 Will you ensure that someone
 report to Cabinet tomorrow?
 A.J.C. 6/7

1. THE US DELEGATION LED BY SCOCOZA AND COMPRISING SEIDEN, SMALL, SHANE AND KASPER, MET UK DELEGATION LED BY STEVENS IN LONDON ON 4 JULY AS AGREED. AFTER REFERENCE TO MINISTERS THE FOLLOWING AGREEMENTS WERE REACHED.
2. ON THE SCOPE OF THE SECTION 1 DIRECTION, A WRITTEN PQ WILL BE LAID AND ANSWERED: SEE MY FIRST IFT.
3. ON THE QUESTION OF UK EMPLOYEES IN THE UNITED STATES OF US AIRLINES WITH OFFICES IN THE UK THE CONSENT IN MY SECOND IFT WILL BE ISSUED.
4. ON THE QUESTION OF ACCESS TO COMMERCIAL INFORMATION IN THE UK, BECKETT (DPI SOLICITOR) WILL SEND BAXTER (DOJ) THE LETTER IN MY THIRD IFT: AND BAXTER WILL REPLY AS IN MY FOURTH IFT.
5. ON THIS BASIS, THE AMERICANS WILL NOT ISSUE EXPANDED SUBPOENAS TO BA AND BCAL. BOTH SIDES REMAIN COMMITTED TO THE PROCEDURE IN THE NON-PAPER.
6. PRESS LINE. STEVENS HAS AGREED WITH SCOCOZA THAT THE PRESS ARE TO BE TOLD NO MORE THAN THAT WE CAN CONFIRM THAT CONSULTATIONS HAVE BEEN CONTINUING BUT THAT THERE IS NOTHING TO REPORT AS YET. (FOR YOUR OWN INFORMATION, THE CONSENT AND PARLIAMENTARY QUESTION AND ANSWER WILL ISSUE IN THE NEXT WEEK OR TWO: WE WILL GIVE SCOCOZA ADVANCE WARNING ON THE TIMING AND ON THE PRESS LINE WE PROPOSE TO FOLLOW THEN.)

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TO IMMEDIATE WASHINGTON
TELEGRAM NUMBER 1113 OF 5 JULY
MIPT: LAKER: PTI ACT

1. FOLLOWING IS TEXT FOR PARLIAMENTARY WRITTEN
QUESTION AND ANSWER TO COVER SCOPE OF SECTION 1 DIRECTION: BEGINS.
QUESTION: TO ASK SECRETARY OF STATE
FOR TRADE AND INDUSTRY WHETHER HE HAS BEEN
ABLE TO GIVE ANY INDICATION TO THE UNITED STATES GOVERNMENT
THAT THE DIRECTION HE GAVE UNDER SECTION 1(3) OF THE PTI ACT
ON 23 JUNE DOES NOT REQUIRE UK AIRLINES TO VIOLATE THE SHERMAN
ACT.
ANSWER: YES. THE UNITED STATES GOVERNMENT HAS BEEN INFORMED
THAT UNDER THE PTI ACT, THE ORDER AND DIRECTIONS DO NOT INVITE OR
REQUIRE UK AIRLINES TO DO ANYTHING WHICH IS CONTRARY TO THE SHERMAN
ACT ITSELF. ENDS.

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 TO IMMEDIATE WASHINGTON
 TELEGRAM NUMBER 1114 OF 5 JULY
 MIPT: LAKER: PTI ACT

1. FOLLOWING IS THE TEXT OF THE CONSENT BY THE SECRETARY OF STATE DEALING WITH UK EMPLOYEES IN THE US OF A US AIRLINE WITH OFFICES IN THE UK:

BEGINS WHEREAS THE SECRETARY OF STATE HAS DIRECTED BY A GENERAL DIRECTION, MADE BY HIM ON 1 JULY 1983 PURSUANT TO SECTION 2 OF THE PROTECTION OF TRADING INTERESTS ACT 1980, THAT EXCEPT WITH HIS CONSENT NO PERSON OR PERSONS IN THE UNITED KINGDOM SHALL COMPLY OR CAUSE OR PERMIT COMPLIANCE WITH ANY REQUIREMENTS TO PRODUCE ANY COMMERCIAL DOCUMENT OR TO FURNISH COMMERCIAL INFORMATION IN THE CIRCUMSTANCES THERE SPECIFIED:

(1) THE SECRETARY OF STATE HEREBY CONSENTS TO ANY UNITED STATES' DESIGNATED AIRLINE IN THE UK CONSENTING TO OR PERMITTING COMPLIANCE WITH ANY REQUIREMENTS TO FURNISH COMMERCIAL INFORMATION IN THE UNITED STATES OF AMERICA BY AN OFFICER, SERVANT OR AGENT OF THAT AIRLINE THERE.

(2) IN THIS CONSENT 'UNITED STATES' DESIGNATED AIRLINE' MEANS AN AIRLINE DESIGNATED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNDER THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA SIGNED AT BERMUDA ON 23 JULY 1977, AND SUBSEQUENTLY AMENDED, CONCERNING AIR SERVICES.

(3) THIS CONSENT SHALL COME INTO OPERATION ON1983.ENDS

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 TO IMMEDIATE WASHINGTON
 TELEGRAM NUMBER 1115 OF 5 JULY
 MIPT: LAKER: PTI ACT

1. FOLLOWING IS THE TEXT OF THE LETTER FROM SENIOR BRITISH OFFICIAL TO SENIOR AMERICAN OFFICIAL: BEGINS IN THE COURSE OF RECENT CONSULTATIONS HELD BETWEEN OUR TWO GOVERNMENTS IN WASHINGTON DC AND LONDON THE UNITED STATES HAS INQUIRED WHETHER, UNDER THE RECENT ACTIONS TAKEN BY THE UK UNDER THE PTI ACT RELATING TO THE US ANTI-TRUST LAWS, PERSONS IN THE UK WHO RECEIVE REQUESTS FROM THE DOJ TO PROVIDE COMMERCIAL INFORMATION VOLUNTARILY MAY DO SO UNDER ANY CIRCUMSTANCES.

IN RESPONSE TO THE US INQUIRY WE INDICATED THAT IF A PERSON IN THE UK IS REQUESTED BY THE DOJ, PURSUANT TO ITS LAW ENFORCEMENT RESPONSIBILITIES, TO FURNISH COMMERCIAL INFORMATION IN RELATION TO THE CASES MENTIONED IN PARAGRAPH 2 OF THE PROTECTION OF TRADING INTERESTS (US ANTITRUST MEASURES) ORDER 1983, IS AT THE SAME TIME PROVIDED WITH AN ABSOLUTE AND IRREVOCABLE GUARANTEE, IN RELATION TO THE MATTERS TO WHICH THE REQUEST RELATES, SUCH THAT NO REQUIREMENT TO THE SAME EFFECT AS THE REQUEST COULD BE IMPOSED ON HIM BY THE DOJ UNDER US LAW SO LONG AS SUCH PERSON REMAINS KN THE UNITED STATES IN CONNECTION WITH THE REQUEST, THEN SUCH PERSON IN PROVIDING COMMERCIAL INFORMATION IN RESPONSE TO THE REQUEST WOULD NOT BE ACTING IN BREACH OF THE ORDER OR GENERAL DIRECTIONS GIVEN UNDER THE PTI ACT.

WE ASKED YOU TO EMPHASISE THAT THIS ADVICE, WHICH CAN BE USED IN LETTERS YOU MAY BE SENDING TO POTENTIAL WITNESSES, IS GIVEN ONLY IN RELATION TO REQUESTS MADE BY THE DOJ.

WE AUTHORISED YOU TO TELL POTENTIAL WITNESSES THAT THEY MAY OBTAIN CONFIRMATION OF THIS ADVICE FROM THE SOLICITOR OF THE DEPARTMENT OF TRADE AND INDUSTRY, 10 VICTORIA STREET, LONDON SW1. ENDS

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 TO IMMEDIATE WASHINGTON
 TELEGRAM NUMBER 1116 OF 5 JULY
 MIPT: LAKER: PTI ACT

1. FOLLOWING IS TEXT OF THE LETTER FROM SENIOR AMERICAN OFFICIAL TO SENIOR BRITISH OFFICIAL:

BEGINS THANK YOU FOR YOUR LETTER OF 5 JULY 1983 CONCERNING THE CIRCUMSTANCES UNDER WHICH PERSONS IN THE UK WHO RECEIVE REQUESTS FROM THE DEPARTMENT OF JUSTICE TO PROVIDE COMMERCIAL INFORMATION MAY DO SO WITHOUT BREACHING THE ORDER AND DIRECTIONS RECENTLY ISSUED BY HMG UNDER THE PROTECTION OF TRADING INTERESTS ACT.

AS OUR DELEGATIONS AGREED IN LONDON THE DEPARTMENT OF JUSTICE MAY USE THE CONTENT OF YOUR LETTER TO APPRISE POTENTIAL WITNESSES IN THE UK OF THE CIRCUMSTANCES UNDER WHICH THEY MAY COOPERATE WITH DEPARTMENT REQUESTS FOR COMMERCIAL INFORMATION, BUT WE WILL NOT INCLUDE YOUR LETTER WITH OUR INITIAL REQUEST FOR COOPERATION NOR PLACE QUOTATION MARKS AROUND THE LANGUAGE WE DO INCLUDE IN OUR INITIAL REQUEST. MOREOVER YOU HAVE AN ASSURANCE THAT, WHILE WE MAY PROVIDE YOUR LETTER ITSELF TO PERSONS WHO RECEIVE SUCH DEPARTMENT REQUESTS FOR COOPERATION, WE WILL PROVIDE THE LETTER ONLY AFTER WE HAVE TAKEN OTHER MEASURES TO EXPLAIN THE PTI ACT ISSUE TO THE INDIVIDUAL, INCLUDING ENQUIRING WHETHER THE INDIVIDUAL HAS SOUGHT CONFIRMATION FROM THE SOLICITOR, DEPARTMENT OF TRADE AND INDUSTRY.

FINALLY I FURTHER CONFIRM THAT IN ACCORDANCE WITH THE STANDING ARRANGEMENTS OF MY DEPARTMENT AND THE REQUIREMENTS OF US LAW ANY APPROACH MADE BY THE DEPARTMENT OF JUSTICE TO WITNESSES OR POTENTIAL WITNESSES, AND WHAT THEY SAY, ARE CONFIDENTIAL TO THE DEPARTMENT OF JUSTICE AND THE GRAND JURY. ENDS
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