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DEPARTMENT OF TRANSPORT
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Private Secretary
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Spoken to
Mr. Spicer's office.
He won't come.

7 March 1986

CDP
7/3

Dear Charles,

My Secretary of State understands that a Confidential Memorandum of Understanding (CMU) about air services between the UK and Italy, on which agreement has recently been reached, is to be signed in the margins of the Summit meeting in Florence on Wednesday 12 March.

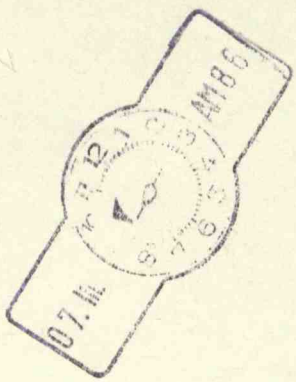
The CMU provides among other things for British Caledonian to commence services between Gatwick and Milan in competition with the Heathrow service operated by BA and Alitalia, and for Cathay Pacific to commence services between Hong Kong and Rome in competition with the services already operated by BA and Alitalia. Since the Cathay service is due to commence within the next few weeks it is important not to lose the opportunity to get the agreement signed.

The CMU would normally be signed at official level. But in view of its importance as another step towards increased competition in European air services, my Secretary of State suggests that Mr Spicer, Parliamentary Under Secretary of State in this Department with responsibility for aviation, might accompany the Prime Minister to Florence and sign the CMU himself. The British Embassy in Rome are exploring that possibility with the Italian Foreign Ministry and will report shortly. Subject to that advice my Secretary of State hopes the Prime Minister can agree that Mr Spicer should join her team for the Summit in order to sign the CMU.

Yours,
Richard.

R A ALLAN
Private Secretary

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