

> euroAtlantic/Varig Joint Venture has ended but “another form of partnership is maintained”

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The chairman of euroATlantic confirmed yesterday for the first time the end of the euroAtlantic/Varig joint venture which led charter operations from Portugal to the North East of Brazil. However, he did say that there was “another form of partnership” which will remain in the field of ACMIIs to the Brazilian companies GOL, as the new owner of Nova Varig, and possibly to OceanAir where said companies use the planes in their regular operations.

Tomaz Metello characterised these contracts as a “damped lease”, a term “invented” by the company owing to its similarity to the standard terms in the dry lease sector and the wet lease.

The contracts envisage the assignment of the plane, maintenance services and crews “when necessary” which sets it apart from the wet lease in which the crews are included.

Tomaz Metello indicated this to be the case of the two planes it has in GOL, as the owner of Nova Varig, one of which was already in the service of this company and the other was contracted after its acquisition.

Tomaz Metello went on to say that this contract for the sum of 2.5 million dollars (1.84 million euros) per month will be in force for a year and there was also the prospect of assigning a plane to OceanAir.

The euroAtlantic/Varig joint venture was active for some years, having remained so even after the collapse of the Brazilian company mid-way through last year and it had the advantage that flights were operated using the Varig code, guaranteeing its flight authorisations. Last year the joint venture was responsible for the majority of charter flights to NE Brazil.