

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
Powell, Goldstein, Frazer & Murphy	British Airways PLC 3274

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
- There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

**Provide British Airways PLC with legal advice and representation in connection with the U.S. government's review of the January 21, 1993 investment agreement between British Airways PLC and USAir**

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

**The registrant will represent British Airways PLC before various legislative and Executive Branch officials through personal communications and in-person discussions.**

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?<sup>1</sup>  
Yes  No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

**The registrant will demonstrate that the agreement is consistent with U.S. domestic and international civil air service laws and regulations and bilateral agreements.**

Date of Exhibit B	Name and Title	Signature
February 1, 1994	Michael Chanin Partner	

<sup>1</sup>Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

POWELL, GOLDSTEIN, FRAZER & MURPHY

ATTORNEYS AT LAW

Sixteenth Floor  
191 Peachtree Street, N.E.  
Atlanta, Georgia 30303  
404 572-6600  
Facsimile 404 572-6999

PLEASE RESPOND: Washington Address

Sixth Floor  
1001 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
202 347-0066  
Facsimile 202 624-7222

January 24, 1994

Mark B. Dunkerley  
Vice President, Commercial and  
Government Affairs, N.A.  
British Airways PLC  
1850 K Street, N.W.  
Suite 300  
Washington, D.C. 20006

Dear Mark:

All of us at Powell, Goldstein were delighted to hear that British Airways wishes to extend our retainer agreement into 1994. We have thoroughly enjoyed working with you and your colleagues on this challenging assignment, and look forward to continuing our efforts on your behalf this year. The purpose of this letter is to memorialize the terms of our continued engagement for our files.

As we have discussed, Powell, Goldstein will continue to provide British Airways with the services outlined in our February 19, 1993 retainer agreement. These services, however, will now be provided on an open-ended, month-to-month basis on the same terms (\$35,000 per month plus expenses) as the 1993 retainer agreement. We understand that this relationship will continue for a minimum period of three months (January through March 1994), after which time either party may terminate the relationship on thirty days' notice.

Si, Brett and I will continue to be actively involved in this project, and we expect to draw on the expertise of others in the firm as their assistance is required.

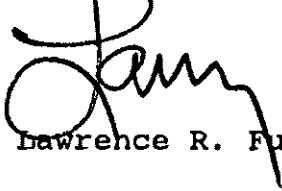
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Mark B. Dunkerley  
January 24, 1994  
Page 2

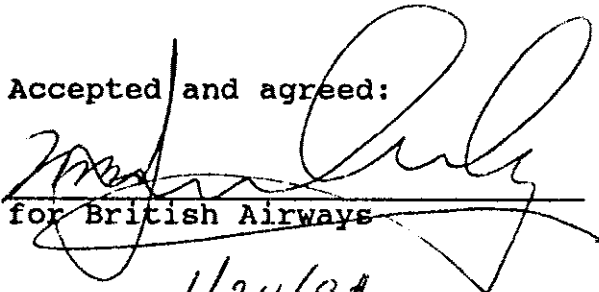
We are delighted to continue our relationship with British Airways. If you have any questions about the terms of our engagement, please do not hesitate to call. If not, we ask that you sign and return to me a copy of this letter to confirm that it properly reflects the terms of our engagement.

Sincerely,



Lawrence R. Fullerton

Accepted and agreed:

  
~~for British Airways~~

Date: 1/24/94

The retention letter of January 7, 1994 is void

