UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and BRAZIL

Air transport agreement (with Annex and Protocol of Signature). Signed at Rio de Janeiro, on 31 October 1946

English and Portuguese official texts communicated by the Permanent United Kingdom Representative to the United Nations. The registration took place on 26 November 1947.

ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD

et BRESIL

Accord relatif aux transports aériens (avec annexe et protocole de signature). Signé à Rio-de-Janeiro, le 31 octobre 1946

Textes officiels anglais et portugais communiqués par le représentant permanent du Royaume-Uni auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 26 novembre 1947. No. 152. AIR TRANSPORT AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE GOVERNMENT OF THE UNITED STATES OF BRAZIL. SIGNED AT RIO DE JANEIRO, ON 31 OCTOBER 1946

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of Brazil, considering:

that the ever-growing possibilities of commercial aviation are of increasing importance;

that this means of transportation because of its essential characteristics, permitting rapid connections, provides the best means for bringing nations together;

that it is desirable to organise in a safe and orderly form regular international air services, without prejudice to national and regional interests having in mind the development of international co-operation in the field of air transport;

that it is necessary to conclude an Agreement to secure regular air communications between the two countries;

have appointed for this purpose their Plenipotentiaries as follows:-

United Kingdom:

Sir Donald St. Clair Gainer, K.C.M.G., O.B.E., His Majesty's Ambassador to Brazil;

Wilfred Charles George Cribbett, Esq., C.M.G., Deputy Secretary of the Ministry of Civil Aviation;

United States of Brazil:

H.E. Samuel de Souza Leão Gracie, Acting Minister for Foreign Affairs; H.E. Armando F. Trompowsky de Almeida, Minister of Aeronautics;

who, after having exchanged their full powers, found to be in good and due form, have agreed as follows:—

¹ Came into force on 30 November 1946, by signature, in accordance with article XIV.

Article I

The Contracting Parties grant each other the rights specified in the Annex hereto, in order that there may be established the regular air services described therein (hereinafter referred to as "agreed services").

Article II

- 1. Each of the agreed services may be inaugurated immediately or at a later date, at the option of the Contracting Party to whom the rights have been granted, but not before:
 - (a) the Contracting Party to whom the rights have been granted has designated an airline or airlines for the specified route or routes;
 - (b) the Contracting Party granting the rights has given the appropriate operating permission to the airline or airlines concerned (which, subject to the provisions of paragraph 2 of this Article and of Article VI, it shall do without delay).
- 2. Every designated airline may be required to satisfy the aeronautical authorities of the Contracting Party granting the rights that it is qualified to fulfil the conditions prescribed under the laws and regulations normally applied by these authorities to the operation of commercial airlines.

Article III

In order to prevent discriminatory practices and to ensure equality of treatment:—

- 1. The charges which either of the Contracting Parties may impose or permit to be imposed on the designated airline or airlines of the other Contracting Party for the use of airports and other facilities shall not be higher than would be paid for the use of such airports and facilities by its national aircraft engaged in similar international services.
- 2. Fuel, lubricating oils, and spare parts introduced into the territory of one Contracting Party, or placed on board aircraft in its territory, by the other Contracting Party, either for its own account or for the airlines designated by it, solely for use by the aircraft of designated airlines of the other Contracting Party, shall enjoy, with respect to customs duties, inspection fees and other charges imposed by the first Contracting Party, treatment not less favourable than that granted to national airlines engaged in international air transport services or to the airlines of the most favoured nation.

3. Aircraft of the one Contracting Party operated on the agreed services and supplies of fuel, lubricating oils, spare parts, normal equipment and aircraft stores retained on board such aircraft shall be exempt in the territory of the other Contracting Party from customs duties, inspection fees, and similar duties or charges, even though such supplies be used by such aircraft on flights within that territory.

Article IV

Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one of the Contracting Parties and still in force, shall be recognised as valid by the other Contracting Party for the purpose of operating the agreed services. Each Contracting Party reserves the right, however, to refuse to recognise, for the purpose of flight above its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party or any other State.

Article V

- 1. The laws and regulations of one Contracting Party, relating to entry into or departure from its own territory of aircraft engaged in international air navigation or to the operation and navigation of such aircraft while within its territory, shall apply to aircraft of the designated airline or airlines of the other Contracting Party.
- 2. The laws and regulations of one Contracting Party relating to entry into or departure from its territory of passengers, crew or cargo of aircraft (such as regulations relating to entry, clearance, immigration, passports, customs and quarantine) shall be applicable to the passengers, crew and cargo of aircraft of the designated airline or airlines of the other Contracting Party, while in the territory of the first Contracting Party.

Article VI

Each Contracting Party reserves the right to withhold or revoke the exercise of the rights specified in the Annex to this Agreement by an airline designated by the other Contracting Party in any case in which it is not satisfied that substantial ownership and effective control of such airline are vested in nationals of the other Contracting Party, or in case of failure by that airline to comply with the laws and regulations referred to in Article V hereof, or otherwise to fulfil the conditions under which the rights are granted, in accordance with this Agreement and its Annex, or when aircraft in operation are not manned by nationals of the other Contracting Party, except in cases where air crew are being trained.

Article VII

If either of the Contracting Parties considers it desirable to modify the terms of the Annex to this Agreement, or to exercise the rights specified in Article VI, it many request consultation between the aeronautical authorities of the two Contracting Parties, such consultation to begin within a period of sixty (60) days from the date of the request. When these authorities agree to modifications of the Annex or elect to exercise the rights set forth in Article VI, such modifications or decisions shall come into effect when they have been confirmed by an exchange of notes through the diplomatic channel.

Article VIII

Any dispute between the Contracting Parties relating to the interpretation or application of this Agreement, or of its Annex, which cannot be settled through consultation shall be referred for an advisory report to the Interim Council of the Provisional International Civil Aviation Organisation (in accordance with the provisions of Article III, section 6 (8) of the Provisional Agreement on International Civil Aviation signed at Chicago on 7th December, 1944), or its successor, unless the Contracting Parties agree to settle the dispute by reference to an Arbitral Tribunal appointed by agreement between the Contracting Parties, or to some other person or body. The Contracting Parties will use their best efforts under the powers available to them to give effect to the opinion expressed in any such report.

Article IX

Either Contracting Party may at any time give notice to the other if it desires to terminate this Agreement. Such notice shall be sent simultaneously to the Provisional International Civil Aviation Organisation or its successor. If such notice is given this Agreement shall terminate six (6) months after the date of receipt of the notice by the other Contracting Party unless the notice to terminate is withdrawn by agreement between the Contracting Parties before the expiry of this period. In the absence of acknowledgment of receipt by the other Contracting Party notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the Provisional International Civil Aviation Organisation or its successor.

¹ Great Britain, Miscellaneous No. 6 (1945), Cmd. 6614.

Article X

If a general multilateral air convention which is accepted by both Contracting Parties comes into force this Agreement shall be amended so as to conform with the provisions of such convention.

Article XI

This Agreement on coming into force supersedes any acts, permissions, privileges or concessions previously granted for any reason by one of the Contracting Parties in favour of airlines of the other Contracting Party.

Article XII

This Agreement shall be registered with the Provisional International Civil Aviation Organisation set up by the Interim Agreement on International Civil Aviation signed in Chicago on 7th December, 1944, or its successor.

Article XIII

For the purposes of this Agreement and its Annex:

- (a) the term "aeronautical authorities" shall mean in the case of the United Kingdom the Minister of Civil Aviation and any person or agency authorised to perform the functions presently exercised by the said Minister and, in the case of the United States of Brazil, the Minister of Aeronautics and any person or agency authorised to perform the functions presently exercised by the said Minister;
- (b) the term "designated airlines" shall mean the air transport enterprises which the aeronautical authorities of one of the Contracting Parties have notified in writing to the aeronautical authorities of the other Contracting Party as the airlines designated by it in accordance with Article II of this Agreement for the routes specified in such notification;
- (c) the term "territory" shall have the meaning assigned to it by Article 2 of the Convention on International Civil Aviation signed at Chicago on 7th December, 1944;¹
- (d) the definitions contained in paragraphs (a), (b) and (d) of Article 96 of the Convention on International Civil Aviation signed at Chicago on 7th December, 1944, shall apply;

² Great Britain, Miscellaneous No. 6 (1945), Cmd. 6614.

(e) the term "successor" shall mean the organisation which on the coming into force of the Convention referred to in (d) above shall take the place of the Provisional International Civil Aviation Organisation.

Article XIV

This Agreement will come into force thirty (30) days after the date of its signature.

IN WITNESS THEREOF the undersigned Plenipotentiaries have signed the present Agreement and affixed thereto their respectives seals.

Done in the City of Rio de Janeiro on the thirty-first day of October, 1946, in two copies, in the English and Portuguese languages, both texts being equally authentic.

[L.S.] D. St. Clair Gainer W. C. G. Cribbett

[L.S.] S. DE SOUZA LEÃO GRACIE Armando F. Trompowsky

ANNEX

I

The Government of the United States of Brazil grants to the Government of the United Kingdom the right to operate air transport services by one or more airlines designated by the Government of the United Kingdom on the routes specified in Schedule I attached.

II

The Government of the United Kingdom grants to the Government of the United States of Brazil the right to operate air transport services by one or more airlines designated by the Government of the United States of Brazil on the routes specified in Schedule II attached.

III

The airlines designated by each of the Contracting Parties under the conditions provided in this Agreement and the present Annex will enjoy, in the territory of the other Contracting Party, rights of transit, of stops for non-traffic purposes at all airports designated for international traffic as well as rights of commercial entry and departure for international traffic in passengers, freight and mail at the points enumerated in the schedules attached.

IV

- (a) The air transport capacity provided by the designated airlines of both Contracting Parties shall bear a close relationship to traffic requirements;
- (b) There shall be fair and equal opportunity for the designated airlines of both Contracting Parties to operate on the routes specified in the Schedules;
- (c) When the designated airlines of the Contracting Parties both operate on a section of a trunk route they shall take into account their reciprocal interests so as not to affect unduly their respective services;
- (d) The services provided by a designated airline under this Agreement and its Annex shall retain as their primary objective the provision of capacity adequate to the traffic demands between the country by which such airline has been designated and the country of ultimate destination of the traffic;
- (e) The right of a designated airline of a Contracting Party to embark and to disembark at points in the territory of the other Contracting Party international traffic destined for or coming from third countries at a point or points specified in the Schedules to this Annex, shall be applied in accordance with the general principles of orderly development to which both Contracting Parties subscribe and shall be subject to the general principle that capacity shall be related:
 - (1) to traffic requirements between the country of origin and the countries of destination;
 - (2) to the requirements of through airline operation, and
 - (3) to the traffic requirements of the area through which the airline passes after taking account of local and regional services.

V

The aeronautical authorities of the Contracting Parties will consult together, at the request of either of them, to determine whether the principles set forth above are being complied with by the airlines designated by the Contracting Parties and in particular to prevent an unfair proportion of traffic being diverted from any designated airline.

VI

If the designated airline or airlines of one Contracting Party is or are temporarily unable, for reasons within the control of the other Contracting Party, to take advantage of the provisions of sub-paragraph (b) of paragraph IV above, the Contracting Parties shall review the situation with the object of assisting the said airline or airlines to take full advantage of the fair and equal opportunity to participate in the services, as provided by that sub-paragraph.

VII

Where the onward carriage of traffic by an aircraft of different size from that employed on the earlier stage of the same route (hereinafter referred to as "change of gauge") is justified by reason of economy of operation, and where such change of gauge is to be made at a point in the territory of the United Kingdom or the United States of Brazil, the smaller aircraft will operate only in connection with the larger aircraft arriving at the point of change, so as to provide a connecting service which will thus normally wait on the arrival of the larger aircraft, for the primary purpose of carrying onward those passengers who have travelled to the United Kingdom or the United States of Brazil in the larger aircraft to their ultimate destination in the smaller aircraft. It is likewise understood that the capacity of the smaller aircraft shall be determined with primary reference to the traffic travelling in the larger aircraft normally requiring to be carried onward. Where there are vacancies in the smaller aircraft such vacancies may be filled with passengers from the United Kingdom or the United States of Brazil respectively without prejudice to the local traffic, exclusive of cabotage. The same principles will apply for the operation of the change of gauge service in the reverse direction.

VIII

- (a) The determination of rates in accordance with the following sub-paragraphs shall be made at reasonable levels, due regard being paid to all relevant factors, such as cost of operation, reasonable profit, and the rates charged by any other airlines, as well as the characteristics of each service.
- (b) The rates to be charged by the designated airlines of either Contracting Party between points in the territory of the United Kingdom and points in Brazilian territory referred to in the attached Schedules shall, consistently with the provisions of this Agreement and Annex, be subject to the approval of the aeronautical authorities of the Contracting Parties, who shall act in accordance with their obligations under this Agreement and Annex, within the limits of their legal powers.
- (c) Any rate proposed by the airline or airlines of either Contracting Party shall be filed with the aeronautical authorities of both Contracting Parties at least thirty days before the proposed date of introduction; provided that this period of thirty days may be reduced in particular cases if so agreed by the aeronautical authorities of both Contracting Parties.
- (d) The traffic conference machinery of the International Air Transport Association (hereinafter called I.A.T.A.) not yet having been approved by the United States of Brazil, rate agreements concluded through such machinery involving airlines designated by the Government of the United States of Brazil will be subject to the approval of their aeronautical authorities pursuant to the provisions set forth in sub-paragraph (b) of this paragraph.

- (e) The procedure described in sub-paragraph (f), (g) and (h) of this paragraph shall apply if—
 - 1. Either any specific rate agreement concluded through the I.A.T.A. traffic conference machinery is not approved within a reasonable time by either Contracting Party or a conference of I.A.T.A. is unable to agree on a rate, or
 - 2. At any time no I.A.T.A. machinery is applicable, or
 - 3. Either Contracting Party at any time withdraws or fails to renew its approval of that part of the I.A.T.A. traffic conference machinery relevant to this paragraph.
- (f) In the event that power is conferred by law upon the aeronautical authorities of the United States of Brazil to fix fair and economic rates for the transport of persons and property by air on international services and to suspend proposed rates each of the Contracting Parties shall thereafter exercise its authority in such manner as to prevent any rate or rates proposed by one of its airlines for services from the territory of one Contracting Party to a point or points in the territory of the other Contracting Party fom becoming effective, if, in the judgment of the aeonautical authorities of the Contracting Party whose airline or airlines is or are proposing such rate, that rate is unfair or uneconomic.

If one of the Contracting Parties on receipt of the notification referred to in sub-paragraph (c) of this paragraph is dissatisfied with the rate proposed by the airline or airlines of the other Contracting Party, it shall so notify the other Contracting Party prior to the expiry of the first fifteen of the thirty days referred to, and the Contracting Parties shall endeavour to reach agreement on the appropriate rate.

In the event that such agreement is reached each Contracting Party will exercise its statutory powers to put such rate into effect as regards its airline or airlines.

If agreement has not been reached at the end of the thirty-day period referred to in sub-paragraph (c) of this paragraph, the proposed rate may, unless the aeronautical authorities of the country of the airline concerned see fit to suspend its application, go into effect provisionally pending the settlement of any dispute in accordance with the procedure outlined in sub-paragraph (h) below.

(g) Prior to the time when such power may be conferred by law upon the aeronautical authorities of the United States of Brazil, if one of the Contracting Parties is dissatisfied with any rate proposed by the airline or airlines of either Contracting Party for services from the territory of one Contracting Party to a point or points in the territory of the other Contracting Party, it shall so notify the other prior to the expiry of the first fifteen of the thirty-day period referred to in sub-paragraph (c) of this paragraph, and the Contracting Parties shall endeavour to reach agreement on the appropriate rate.

In the event that such agreement is reached each Contracting Party will use its best efforts to cause such agreed rate to be put into effect by its airline or airlines.

It is recognised that, if no such agreement can be reached prior to the expiry of such thirty days, the Contracting Party raising the objection to the rate may take such steps as it may consider necessary to prevent the inauguration or continuation of the service in question at the rate complained of.

(h) When in any case under sub-paragraphs (f) and (g) of this paragraph the aeronautical authorities of the two Contracting Parties cannot agree within a reasonable time upon the appropriate rate after consultation initiated by the complaint of one Contracting Party concerning the proposed rate or an existing rate of the airline or airlines of the other Contracting Party, upon the request of either, both Contracting Parties shall submit the question to the Provisional International Civil Aviation Organisation or its successor for an advisory report, and each Party will use its best efforts under the powers available to it to give effect to the opinion expressed in such report.

IX

Changes made by either Contracting Party in the points on the routes described in the Schedules to this Annex except changes in the points in the territory of the other Contracting Party shall not be considered as modifications of the Annex. The aeronautical authorities of either Contracting Party may therefore proceed unilaterally to make such changes, provided, however, that notice of any change is given without delay to the aeronautical authorities of the other Contracting Party.

If as a result of such changes the aeronautical authorities of the other Contracting Party find that, having regard to the principles set forth in paragraph IV of this Annex, the interests of their designated airline or airlines are prejudiced by such changes in so far as they involve the carriage by the airline or airlines of the first Contracting Party of traffic between the territory of the second Contracting Party and the new point in the territory of a third country, the aeronautical authorities of the two Contracting Parties shall consult together with a view to arriving at a satisfactory agreement.

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While this Agreement is in force, the aeronautical authorities of both Contracting Parties will exchange information promptly concerning the authorisations extended to their respective airlines designated to operate on the routes specified in the Schedules to this Annex or any part thereof. Such exchange of information will include in particular copies of authorisations granted together with such modifications as may be made from time to time.

(Signed) D. St. Clair Gainer
W. C. G. Cribbett
S. de Souza Leão Gracie
Armando F. Trompowsky

SCHEDULE I

BRITISH ROUTES TO BRAZIL AND ACROSS BRAZILIAN TERRITORY

1st Part.—Routes from British Territory to Brazil

- 1. London via Lisbon and/or other intermediate points and/or West Africa to Natal or Recife, Rio de Janeiro and São Paulo, in both directions.
- 2. Jamaica and/or Trinidad via British Guiana and other intermediate points to Natal, in both directions.

2nd Part.—British Routes through Brazil

1. London via Lisbon and/or other intermediate points and/or West Africa to Natal or Recife, Rio de Janeiro and São Paulo and thence by reasonably direct route to Montevideo and/or countries beyond, in both directions.

SCHEDULE II

BRAZILIAN ROUTES TO THE UNITED KINGDOM AND ACROSS UNITED KINGDOM TERRITORY

1st Part.—Brazilian Routes to the United Kingdom

1. From Brazilian territory via West Africa and/or intermediate points and Europe to London, in both directions.

2nd Part.—Brazilian Routes across United Kingdom Territory

- 1. From the terminal point in the United Kingdom of the above-mentioned route to points in Scandinavia which are on a reasonably direct route between the point or first arrival in Europe and the ultimate destination, in both directions.
- 2. From Belém-Georgetown and/or Trinidad to onward destinations in both directions.

PROTOCOL OF SIGNATURE

It appeared in the course of negotiations leading to the conclusion of the Air Transport Agreement between the United Kingdom and the United States of Brazil signed at Rio de Janeiro to-day that the representatives of the two Contracting Parties were in agreement on the following points:—

- 1. The privileges under Articles III and V of the Agreement should be granted as simply and speedily as possible in order to avoid delaying the movement of aircraft engaged in international air transport and this consideration should be taken into account in the enforcement of regulations or procedures by the customs authorities of both countries.
- 2. It is recognised that the determination of tariffs to be applied by an airline of one Contracting Party between the territory of the other Contracting Party and a third country is a complex question, the overall solution of which cannot be sought through consultation between only two countries. It is noted, furthermore, that the method of determining such tariffs is now being studied by the Provisional International Civil Aviation Organisation. It is understood under these circumstances:
 - (a) that, pending the acceptance by both Contracting Parties of any recommendations which the Provisional International Civil Aviation Organisation may make after its study of this matter, such tariffs shall be subject to consideration under the provisions of sub-paragraph (c) of paragraph IV of the Annex to the Agreement;
 - (b) that in case the Provisional International Civil Aviation Organisation • fails to establish a means of determining such rates satisfactory to both Contracting Parties, the consultation provided for in Article VII of the Agreement shall be in order.
- 3. The arrangements for remittance of balances earned by the designated airlines of the Contracting Parties will be in accordance with the exchange control practices of the two Contracting Parties, which at present afford full facilities for the remittance of balances from such transactions.

(Signed) D. St. Clair Gainer
W. C. G. Cribbett
S. de Souza Leão Gracie

Armando F. Trompowsky