

No. 1326

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
ICELAND**

**Agreement relating to certain air transport services (with
annex and schedules). Signed at London, on 26 May 1950**

Official texts: English and Icelandic.

Registered by the International Civil Aviation Organization on 18 July 1951.

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

**Accord relatif à certains services de transports aériens
(avec annexe et tableaux). Signé à Londres, le 26 mai
1950**

Textes officiels anglais et islandais.

Enregistré par l'Organisation de l'aviation civile internationale le 18 juillet 1951.

No. 1326. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF ICELAND RELATING TO CERTAIN AIR TRANSPORT SERVICES. SIGNED AT LONDON, ON 26 MAY 1950

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Iceland,

Desiring to conclude an agreement for the purpose of promoting air communications to, through and from their respective territories,

Have agreed as follows :—

Article 1

The establishment of air services under this Agreement shall be governed by the following general principles :

(1) The Contracting Parties desire to foster and encourage the widest possible distribution of the benefits of air travel at the cheapest rates consistent with sound economic principles; and to stimulate international air travel as a means of promoting friendly understanding and goodwill among peoples and ensuring as well the many indirect benefits of this new form of transport for the common welfare of both countries.

(2) The Contracting Parties declare their adherence to the principles and purposes set out in the preamble to the Convention on International Civil Aviation opened for signature at Chicago on 7th December, 1944.²

(3) The air transport facilities available to the travelling public should bear a close relationship to the requirements of the public for such transport.

(4) There shall be a fair and equal opportunity for the airlines of each Contracting Party to operate on any route between their respective territories covered by this Agreement and its Annex.

(5) In the operation by the airlines of either Contracting Party of the services described in the Annex to this Agreement, the interests of the airlines of the other Contracting Party shall be taken into consideration so as not to affect unduly services which the latter provide on all or part of the same routes.

¹ Came into force provisionally on 26 May 1950, as from the date of signature, and became definitive on 10 January 1951, by the exchange of the instruments of ratification at London, in accordance with article 14.

² United Nations, *Treaty Series*, Vol. 15, p. 295; Vol. 26, p. 420; Vol. 32, p. 402; Vol. 33, p. 352; Vol. 44, p. 346, and Vol. 51, p. 336.

(6) The services provided by the designated airlines of the Contracting Parties under this Agreement and its Annex shall retain as their primary objective the provision of capacity adequate to the traffic demands between the territory of the Contracting Party which has designated the airline and the country of ultimate destination of the traffic. The right of the designated airlines of each of the Contracting Parties on such services to embark or disembark in the territory of the other Contracting Party international traffic destined for or coming from third countries at a point or points on the routes specified in the Schedule to the Annex to this Agreement (hereinafter referred to as the "specified routes") shall be exercised 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 should be related :—

- (a) To traffic requirements to and from the territory of the Contracting Party designating the airline;
- (b) To the requirements of through airline operation, and
- (c) To the traffic requirements of the area through which the airline passes after taking account of local and regional services.

(7) There shall be frequent consultation between the aeronautical authorities of the Contracting Parties and close collaboration between them on the observance of the principles and the implementation of the provisions of this Agreement and its Annex.

Article 2

Each Contracting Party grants to the other Contracting Party the rights specified in the Annex to this Agreement for the purpose of the establishment of the air services therein described (hereinafter referred to as the "agreed services"). The agreed services may be inaugurated immediately or at a later date at the option of the Contracting Party to whom the rights are granted.

Article 3

(1) Each of the agreed services may be put into operation as soon as the Contracting Party to whom the rights have been granted has designated an airline or airlines for the specified route concerned and the Contracting Party granting the rights has given the appropriate operating permission to the airline or airlines so designated. Subject to the provisions of paragraph (2) of this Article and of Article 7 of this Agreement, such permission shall be granted without delay.

(2) The airlines designated may be required to satisfy the aeronautical authorities of the Contracting Party granting the rights that they are qualified to fulfil the conditions prescribed under the laws and regulations normally applied by these authorities to the operations of commercial airlines.

Article 4

(1) The charges which either of the Contracting Parties may impose, or permit to be imposed, on the designated 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 or taken on board aircraft in the territory of one Contracting Party by, or on behalf of, the airline designated by the other Contracting Party and intended solely for use by the aircraft of such designated airlines shall be accorded, with respect to customs duties, inspection fees or similar charges imposed by the former Contracting Party, treatment not less favourable than that granted to national airlines engaged in international air transport or to the airline of the most favoured nation.

(3) This treatment shall be in addition to and without prejudice to that which each Contracting Party is under obligation to accord under Article 24 of the Convention on International Civil Aviation opened for signature at Chicago on 7th December, 1944.

Article 5

Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Contracting Party 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 nationals by the other Contracting Party or any other State.

Article 6

(1) The laws and regulations of one Contracting Party relating to entry into or departure from its 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 airlines of the other Contracting Party.

(2) The laws and regulations of one Contracting Party relating to the entry into or departure from its territory of passengers, crew, or cargo of aircraft (such as regulations relating to entry, clearance, immigration, passport, customs and quarantine) shall be applicable to the passengers, crew or cargo of the aircraft of the designated airlines of the other Contracting Party while in the territory of the first Contracting Party.

Article 7

Each Contracting Party reserves the right to withhold or revoke the rights specified in this Agreement or its Annex in any case in which it is not satisfied that substantial ownership and effective control of a designated airline of the other Contracting Party are vested in nationals of that other Contracting Party, or in case of failure by a designated airline to comply with its laws and regulations as referred to in Article 6, or otherwise to fulfil the conditions under which the rights are granted in accordance with this Agreement and its Annex.

Article 8

This Agreement shall be registered with the Council of the International Civil Aviation Organisation set up by the Convention of International Civil Aviation opened for signature at Chicago on 7th December, 1944.

Article 9

If either of the Contracting Parties considers it desirable to modify any provision of this Agreement or its Annex, such modification may be made by direct agreement between the aeronautical authorities of the Contracting Parties and shall come into force definitively when it has been confirmed by an exchange of Notes through the diplomatic channel.

Article 10

(1) If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement or its Annex, the Contracting Parties shall in the first place endeavour to settle it by negotiation between themselves.

- (2) If the Contracting Parties fail to reach a settlement by negotiation,
 - (a) they may agree to refer the dispute for decision to an arbitral tribunal appointed by agreement between them or to some other person or body; or
 - (b) if they do not so agree or if, having agreed to refer the dispute to an arbitral tribunal, they cannot reach agreement as to its composition, either Contracting Party may submit the dispute for decision to any tribunal competent to decide it which may hereafter be established within the International Civil Aviation Organisation or, if there is no such tribunal, to the Council of said Organisation.

(3) The Contracting Parties undertake to comply with any decision given under paragraph (2) of this Article.

(4) If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with a decision given under paragraph (2) of this Article, the other Contracting Party may limit, withhold or revoke any rights which it has granted by virtue of this Agreement and its Annex to the Contracting Party in default or to the designated airline or airlines of that Contracting Party or to the designated airline in default.

Article 11

If a general multilateral air convention relating to scheduled international air services which is accepted by both Contracting Parties comes into force, the present Agreement shall be amended so as to conform with the provisions of the said convention.

Article 12

Either Contracting Party may at any time give notice to the other if it desires to terminate this Agreement. Such notice shall be simultaneously communicated to the Council of the International Civil Aviation Organisation. If such notice is given, this Agreement shall terminate on the date specified in the notice, which shall not be less than twelve months after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement 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 days after the receipt of the notice by the Council of the International Civil Aviation Organisation.

Article 13

For the purposes of this Agreement and its Annex, unless the context otherwise requires :

- (a) the term "aeronautical authorities" means, in the case of the United Kingdom, the Minister of Civil Aviation and any person or body authorised to perform any functions presently exercised by the said Minister or similar functions, and, in the case of Iceland, the Minister of Aviation and any person or body authorised to perform the functions presently exercised by the said Minister or similar functions;
- (b) the term "designated airline" means an airline which the aeronautical authorities of one Contracting Party shall have notified in writing to the aeronautical authorities of the other Contracting Party as the airline designated by it in accordance with Article 3 of this Agreement for the routes specified in such notification;

- (c) the term "territory" in relation to a State means the land areas and territorial waters adjacent thereto under the sovereignty, protection or trusteeship of that State;
- (d) the terms "air service," "international air service," "airline" and "stop for non-traffic purposes," shall have the meanings respectively assigned to them in Article 96 of the Convention on International Civil Aviation opened for signature at Chicago on 7th December, 1944.

Article 14

(1) This Agreement shall be subject to ratification. The instruments of ratification shall be exchanged in London as soon as possible.

(2) This Agreement shall enter into force provisionally on the date of signature, and definitively on the exchange of the instruments of ratification.

(3) If the instruments of ratification are not exchanged within twelve months from the date of signature, either Contracting Party may terminate the provisional application of this Agreement by giving six months' notice in writing to the other Contracting Party.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement and have affixed thereto their seals :

DONE at London in duplicate this 26th day of May, 1950, in the English and Icelandic languages, both texts being equally authentic.

For the Government of the United Kingdom
of Great Britain and Northern Ireland :

[L.S.] PAKENHAM

For the Government of Iceland :

[L.S.] Stefán THORVARDSSON

ANNEX

1. The airlines designated by the Government of the United Kingdom for the purpose of the operation of the air services on the routes specified in Schedule I to this Annex are the British European Airways Corporation, the British Overseas Airways Corporation and/or such other airline or airlines as may be notified by the aeronautical authorities of the United Kingdom to the Icelandic aeronautical authorities.

2. The airlines designated by the Government of Iceland for the purpose of the operation of the air services on the routes specified in Schedule II to this Annex are Flugfélag Islands H/F., Reykjavik and Loftleidir H/F., Reykjavik and/or such other airline or airlines as may be notified by the Icelandic aeronautical authorities to the aeronautical authorities of the United Kingdom.

3. For the purpose of operating air services on the routes specified in Schedule I to this Annex, the designated airlines referred to in paragraph 1 above shall be accorded in Icelandic territory rights of transit and of stops for non-traffic purposes, as well as the right to pick up and discharge international traffic in passengers, cargo and mail in accordance with the principles of Article 1 of this Agreement, and the use on the said routes of aerodromes and ancillary facilities, at the places specified in Schedule I.

4. For the purpose of operating air services on the routes specified in Schedule II to this Annex, the designated airlines referred to in paragraph 2 above shall be accorded in the United Kingdom territory rights of transit and of stops for non-traffic purposes, as well as the right to pick up and discharge international traffic in passengers, cargo and mail in accordance with the principles of Article 1 of this Agreement, and the use on the said routes of aerodromes and ancillary facilities, at the places specified in Schedule II.

5. (a) Tariffs to be charged by the airlines referred to in this Annex shall be agreed in the first instance between them in consultation with other airlines operating on the respective routes or any sections thereof. Any tariffs so agreed shall be subject to the approval of the Contracting Parties. In the event of disagreement between the airlines, the Contracting Parties themselves shall endeavour to reach agreement. If the Contracting Parties fail to agree, the matter in dispute shall be referred to arbitration, as provided for in Article 10 of this Agreement.

(b) The tariffs to be agreed in accordance with (a) above shall be fixed at reasonable levels, due regard being paid to all relevant factors, including economical operation, reasonable profit, differences of characteristics of service (including standards of speed and accommodation) and the tariffs charged by any other operators on the route.

6. The aeronautical authorities of each Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request :

(a) such traffic statistics as may be appropriate for the purpose of reviewing the frequency and capacity of the agreed services; and

(b) such periodic statements as may be reasonably required, relating to the traffic carried by its designated airlines on services to, from or through the territories of that other Contracting Party, including information concerning the origin and destination of such traffic.

SCHEDULE I

ROUTES TO BE OPERATED BY THE DESIGNATED AIRLINE OR AIRLINES
OF THE UNITED KINGDOM

(In both directions)

- (1) London and/or Glasgow and/or Prestwick and/or Orkney Islands and/or Shetland Islands via Faroe Islands to Keflavik or Reykjavik.
- (2) London and/or Prestwick to Keflavik or Reykjavik and thence to points in Canada and/or the United States and, if desired, points beyond.

The designated airline or airlines of the United Kingdom may on any or all flights omit any point or points on the above-mentioned routes. This Schedule may be revised from time to time by agreement between the aeronautical authorities of the Contracting Parties.

The airline or airlines designated by the United Kingdom will normally call at Iceland on Route 2 only when necessary for operational reasons. On such occasions traffic may be embarked or disembarked in accordance with the provisions of the Agreement and its Annex.

SCHEDULE II

ROUTES TO BE OPERATED BY THE DESIGNATED AIRLINE OR AIRLINES OF ICELAND

(In both directions)

- (1) Reykjavik and/or Keflavik via Faroe Islands, Shetland Islands and Orkney Islands to Glasgow or Prestwick and/or London.
- (2) Reykjavik and/or Keflavik to Glasgow or Prestwick and thence to Amsterdam or Paris.
- (3) Reykjavik and/or Keflavik to Glasgow or Prestwick and thence to a point or points in Scandinavia.

The designated airline or airlines of Iceland may on any or all flights omit any point or points on the above-mentioned routes. This Schedule may be revised from time to time by agreement between the aeronautical authorities of the Contracting Parties.
