ECUADOR and FEDERAL REPUBLIC OF GERMANY

Agreement concerning air services (with exchange of notes). Signed at Bonn, on 20 September 1962

Official texts of the Agreement: Spanish and German.

Official text of the notes: German.

Registered by the International Civil Aviation Organization on 8 June 1964.

ÉQUATEUR et RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE

Accord relatif aux transports aériens (avec échange de notes). Signé à Bonn, le 20 septembre 1962

Textes officiels de l'Accord: espagnol et allemand.

Texte officiel des notes: allemand.

Enregistré par l'Organisation de l'aviation civile internationale le 8 juin 1964.

[TRANSLATION — TRADUCTION]

No. 7283. AGREEMENT BETWEEN THE FEDERAL REPU-BLIC OF GERMANY AND THE REPUBLIC OF ECUADOR CONCERNING AIR SERVICES. SIGNED AT BONN, ON 20 SEPTEMBER 1962

The Federal Republic of Germany and the Republic of Ecuador Desiring to regulate air services between and beyond their respective territories, Have agreed as follows:

Article 1

- (1) For the purposes of this Agreement, except where the text of the Agreement otherwise requires,
- (a) The term "aeronautical authority" means, in the case of the Federal Republic of Germany, the Federal Minister for Transport; and in the case of the Republic of Ecuador, the Minister for Public Works and Transport; or, in both cases, any other person or body authorized to perform the functions for which the said authorities are responsible;
- (b) The term "designated airline" means an airline which one Contracting Party shall have designated, by notice in writing to the other Contracting Party, in accordance with article 3, as the airline which is to operate on the routes specified in accordance with article 2, paragraph (2), of this Agreement.
- (2) The terms "territory", "air service", "international air service", and "stop for non-traffic purposes" have for the purposes of this Agreement the meaning laid down in articles 2 and 96 of the Convention of 7 December 1944 on International Civil Aviation² in the most recent applicable version in force.

- (1) For the purpose of the operation of international air services by the designated airlines on the routes specified in paragraph (2), each Contracting Party grants to the other Contracting Party:
- (a) The right to make non-stop flights over its territory,
- (b) The right to make stops for non-traffic purposes in its territory and

¹ Came into force on 21 December 1963, thirty days after the date on which the Contracting Parties notified each other that their constitutional requirements had been fulfilled, in accordance with article 16.

² See footnote 2, p. 4 of this volume.

- (c) The right to land at the points in its territory which are specified for the routes laid down in paragraph 2 in order to pick up and set down commercially, passengers, mail and/or cargo, including passengers, mail and/or cargo to or from other States, whether proceeding from or to a third State.
- (2) The routes on which the designated airlines of the two Contracting Parties shall have the right to operate shall be specified in a route schedule to be agreed upon in an exchange of notes.

Article 3

- (1) International air services may be inaugurated on the routes specified in accordance with article 2, paragraph (2), as soon as:
- (a) The Contracting Party to which the rights referred to in article 2, paragraph (1) are granted, has designated in writing one or more airlines and
- (b) The Contracting Party granting these rights has given the designated airline or airlines permission to inaugurate air services.
- (2) The Contracting Party granting these rights shall, subject to the provisions of paragraphs (3) and (4) and subject to article 9, grant without delay permission for the operation of the international air services.
- (3) Each Contracting Party shall have the right to require the designated airline of the other Contracting Party to furnish proof that it is qualified to fulfil the conditions prescribed under the laws and regulations of the first-mentioned Party for the operation of international air services.
- (4) Each Contracting Party reserves the right to withhold the exercise of the rights granted in article 2 from an airline designated by the other Contracting Party if that airline is unable on request to furnish proof that substantial ownership and effective control of the airline are vested in nationals or bodies corporate of the other Contracting Party or in the other Contracting Party itself.

Article 4

(1) Each Contracting Party may revoke or make conditions restricting the permission granted under article 3, paragraph (2), if a designated airline fails to comply with the laws and other regulations of the Contracting Party granting the rights or with the provisions of this Agreement, or fails to fulfil the obligations arising therefrom. The foregoing shall also apply in the event of failure to furnish the proof required under article 3, paragraph (4). Each Contracting Party shall exercise this right only after consultation in the manner provided in article 13, unless immediate

suspension of operations or immediate imposition of conditions is essential to prevent further infringements of laws or regulations.

(2) Each Contracting Party shall have the right, by giving notice in writing to the other Contracting Party, to replace an airline designated by it by another airline subject to the conditions laid down in article 3. The newly-designated airline shall have the same rights and obligations as the airline which it replaces.

Article 5

The charges imposed in the territory of each Contracting Party for the use of airports and other aeronautical facilities by aircraft of the other Contracting Party shall not be higher than those payable by aircraft of a domestic airline engaged in similar international air services.

- (1) Aircraft employed by a designated airline of one Contracting Party, entering and thereafter departing from, or flying in transit over, the territory of the other Contracting Party, as well as fuels, lubricating oils, spare parts, ordinary equipment and supplies for use on board such aircraft, shall be exempt from customs duties and other charges levied in connexion with the importation, exportation and transit of goods. The foregoing shall also apply to any goods on board such aircraft which are consumed in flight over the territory of the latter Contracting Party.
- (2) Fuels, lubricating oils, supplies for use on board, spare parts and ordinary equipment which are temporarily imported into the territory of the one Contracting Party and immediately or after storage are installed in, or otherwise taken on board, the aircraft of a designated airline of the other Contracting Party, or are re-exported from the territory of the former Contracting Party otherwise than on board the aircraft, shall be exempt from the customs duties and other charges referred to in paragraph (1).
- (3) Fuels and lubricating oils which in the territory of the one Contracting Party are taken on board the aircraft of a designated airline of the other Contracting Party and are consumed in international air services shall not be subject to the customs duties and other charges referred to in paragraph (1), or to any special consumer taxes.
- (4) Each Contracting Party may keep the goods referred to in paragraphs (1) to (3) under customs supervision.
- (5) If no customs duties or other charges are imposed on the goods specified in paragraphs (1) to (3), the said goods shall not be subject to any economic prohi-

bition or restriction which would otherwise be applicable to them upon importation, exportation or transit.

(6) The exemptions referred to in this article do not include fees, if provision is made for these and they represent payment for a service.

Article 7

- (1) There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate on each of the routes specified in accordance with article 2, paragraph (2).
- (2) In operating international air services on the routes specified in accordance with article 2, paragraph (2), a designated airline of one Contracting Party shall take into account the interests of a designated airline of the other Contracting Party so as not to affect unduly the air services which the latter provides on the whole or part of the same routes.
- (3) The international air service on the routes specified in accordance with article 2, paragraph (2), shall have as their primary objective the provision of capacity adequate to meet the foreseeable requirements of traffic to and from the territory of the Contracting Party which has designated the airline. The right of this airline to operate air services between those points on a route specified in accordance with article 2, paragraph (2), which are situated in the territory of the other Contracting Party and third States shall be exercised in the interest of the orderly development of international traffic, in such a manner that capacity shall be adapted to:
- (a) The requirements of traffic to and from the territory of the Contracting Party which has designated the airline,
- (b) The requirements of traffic in the areas crossed, account being taken of local and regional services,
- (c) The requirements of economic through-airline operation.

- (1) The designated airlines shall inform the aeronautical authorities of both Contracting Parties not later than thirty days before air services are inaugurated on the routes fixed in accordance with article 2, paragraph (2) of the nature of the services, the types of aircraft to be used and the timetables. Modifications shall be similarly notified.
- (2) The aeronautical authority of one Contracting Party shall supply to the aeronautical authority of the other Contracting Party, upon request, all such periodic or other statements of statistics concerning the designated airlines as may be reasonably required for the purpose of reviewing the capacity offered by a designated

airline of the Contracting Party, first mentioned, on the air routes established in accordance with article 2, paragraph (2). Such statements shall include all information required to determine the amount of traffic carried by those airlines on the agreed services and the origins and destinations of such traffic.

Article 9

- (1) The tariffs to be applied for passengers and cargo on the routes specified in accordance with article 2, paragraph (2), shall be fixed with due regard for all factors, including cost of operation, reasonable profit, the special characteristics of each route and the tariffs applied by other airlines operating on the whole or part of the same route. The tariffs shall be fixed in accordance with the following provisions.
- (2) The tariffs shall, if possible, be fixed in respect of each route by agreement between the designated airlines concerned. In so doing, the designated airlines shall conform to such decisions as may be applicable under the rate-fixing machinery of the International Air Transport Association (IATA) or shall, if possible, endeavour after consultation with the airlines of third countries operating over the whole or part of the same route to arrive at a direct agreement on the tariffs among themselves.
- (3) The tariffs so fixed shall be submitted for approval to the aeronautical authority of each Contracting Party not later than thirty days before the date of their proposed entry into force. This period may be reduced in special cases with the consent of the aeronautical authorities.
- (4) If the designated airlines fail to reach agreement in accordance with paragraph (2) or if either Contracting Party expresses disagreement with the tariffs submitted to it for approval in accordance with paragraph (3), the aeronautical authorities of both Contracting Parties shall determine by agreement between themselves the tariffs for those routes and sections of routes in respect of which agreement has not been reached.
- (5) If the aeronautical authorities of both Contracting Parties fail to reach agreement in accordance with paragraph (4), the provisions of article 14 shall apply. Pending an arbitral award, the Contracting Party that has expressed disagreement with a tariff shall have the right to require the other Contracting Party to maintain the tariff previously in effect.

Article 10

If a general multilateral air transport convention accepted by both Contracting Parties enters into force, its provisions shall prevail. Consultations to determine the extend to which a multilateral convention cancels, amends or supplements this Agreement shall be held in accordance with article 13.

Article 11

Every designated airline of a Contracting Party may maintain and employ its own staff for the conduct of its business in the airports and cities in the territory of the other Contracting Party in which it intends to maintain agencies of its own. If a designated airline does not establish its own organization at the airports in the territory of the other Contracting Party, it shall have the work in question performed where possible by the airport staff or by a designated airline in the territory of the other Contracting Party.

Article 12

There shall be exchanges of views as and when required between the aeronautical authorities of the Contracting Parties to ensure close collaboration and understanding in all matters affecting the application and interpretation of this Agreement.

Article 13

Either Contracting Party may at any time request consultation for the purpose of discussing the amendments to this Agreement or the route schedule. The same shall also apply to discussion of the interpretation and application of the Agreement, if in the opinion of one Contracting Party an exchange of views in accordance with article 12 has not been successful. Such consultation shall begin within a period of sixty days from the date of receipt of the request.

- (1) Any dispute relating to the interpretation or application of this Agreement which cannot be settled in accordance with article 13 shall, at the request of either Contracting Party, be referred to an arbitral tribunal.
- (2) The arbitral tribunal shall be established for each case in such a manner that each Contracting Party shall appoint one member and these members shall agree upon a national of a third State as umpire who shall be appointed by the Governments of the two Contracting Parties. The members shall be appointed within sixty days and the umpire within ninety days after the date on which a Contracting Party gives notice to the other Contracting Party of its intention to submit the dispute to an arbitral tribunal.
- (3) If the time limits referred to in paragraph (2) are bot adhered to, either Contracting Party may, in the absence of any other agreement, request the President of the Council of the International Civil Aviation Organization to make the necessary appointments. If the President has the nationality of one of the two Contracting Parties, or if he is impeded by some other reason, the Vice-President representing him shall make the appointment.

(4) The arbitral tribunal shall reach its decisions by majority vote. Its decisions shall be binding on both Contracting Parties. Each Contracting Party shall bear the expenses of its member and of its representation in the proceedings before the arbitral tribunal; the expenses of the umpire and any other expenses shall be borne in equal parts by both Contracting Parties. In other matters the arbitral tribunal shall itself determine its rules of procedure.

Article 15

This Agreement, all amendments thereto and all notes exchanged in accordance with article 2, paragraph (2), shall be registered with the International Civil Aviation Organization (ICAO).

Article 16

- (1) This Agreement shall enter into force thirty das after the date on which the Contracting Parties notify each other that their respective constitutional requirements have been fulfilled.
- (2) Each Contracting Party may denounce this Agreement in writing at any time. The Agreement shall expire one year after the denunciation is received by the other Contracting Party.

Done at Bonn on 20 September 1962 in four original copies, of which two in the German and two in the Spanish language, both texts being equally authentic.

For the Federal Republic of Germany:

LAHR

For the Republic of Ecuador:
N. Montalvo-Pérez

EXCHANGE OF NOTES

I

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

Bonn, 20 September 1962

Sir,

I have the honour to refer to article 2, paragraph 2, of the Agreement signed at Bonn on 20 September 1962¹ between the Federal Republic of Germany and the Republic of Ecuador concerning air services. In the negotiations which were conducted in connexion with the Agreement in question, it was agreed that air services may be operated on the routes laid down in the following schedule:

¹ See p. 216 of this volume.

Schedule

I. Routes operated by airlines designated by the Federal Republic of Germany:

Intermediate stops

in the territory of the Republic

Points beyond

Points in the Federal Intermediate stops Republic of Germany

One point per flight Points beyond in the Republic of Ecuador

II. Routes operated by airlines designated by the Republic of Ecuador:

Points of departure

1

1

Points of departure

Intermediate stops

Points of the Federal Republic of Germany

Points beyond

Points in the Republic of Intermediate stops Ecuador

One point per flight in Points beyond the Federal Republic of Germany

III. A designated airline may at its option omit one or more points on an established route if the point of departure of that route is in the territory of the Contracting Party which has designated the airline.

I have the honour to inform you that the Government of the Federal Republic of Germany has signified its approval of the foregoing schedule. I should be grateful if you would let me know if the Government of the Republic of Ecuador also agrees to the schedule. In that case, this note and your reply shall be regarded as an Agreement between our Governments.

Accept, Sir, the assurances of my highest consideration,

(Signed) LAHR

The Chargé d'Affaires of the Republic of Ecuador Mr. Nelson Montalvo-Pérez

Bonn

II

THE CHARGÉ D'AFFAIRES OF THE REPUBLIC OF ECUADOR

Bonn, 20 September 1962

Sir,

I have the honour to acknowledge receipt of your note dated 20 September 1962, which reads as follows:

[See note I]

I have to inform you that my Government is in agreement with the entire text of the note in question.

Accept, Sir, the assurances of my highest consideration.

(Signed) MONTALVO-PÉREZ

The Secretary of State in the Ministry of Foreign Affairs Mr. Rolf Lahr Bonn