No. 9057

ARGENTINA
and
PARAGUAY

Agreement relating to scheduled air services. Signed at Buenos Aires, on 7 February 1964

Official text: Spanish.

Registered by Argentina on 17 April 1968.

ARGENTINE
et
PARAGUAY

Accord relatif aux transports aériens réguliers. Signé à Buenos Aires, le 7 février 1964

Texte officiel espagnol.

Enregistré par l'Argentine le 17 avril 1968.

[TRANSLATION — TRADUCTION]

No. 9057. AGREEMENT [1] BETWEEN THE GOVERNMENT OF THE ARGENTINE REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF PARAGUAY RELATING TO SCHEDULED AIR SERVICES. SIGNED AT BUENOS AIRES, ON 7 FEBRUARY 1964

The Argentine Republic and the Republic of Paraguay, being parties to the Convention on International Civil Aviation of 7 December 1944, [2] drawn up at Chicago, and

Considering :

That the traditional relations between the two countries should be strengthened, with a view to achieving greater co-operation in the social, political, economic and legal fields ;

That the regulation of communication services is urgently necessary in order to promote, ensure and establish a system of air transport on the basis of equality and mutual respect for the rights of each of the Contracting Parties ;

That air transport effectively contributes to bringing peoples together by providing rapid, safe, regular, efficient and economical communications ;

That the fraternity between the two nations necessitates agreement on a specific regulation of air services having due regard to their respective interests and taking especially into account their geographical situation and common historical origin ;

Accordingly agree as follows :

Article 1

For the purpose of this Agreement, unless otherwise indicated by the text :

(1) " Aeronautical authorities " means, in the case of the Argentine Republic, the Department of Aviation, and, in the case of the Republic of Paraguay, the Ministry of Defence, or, in either case, any body authorized

[1] Came into force on 14 April 1967, thirty days after the exchange of the instruments of ratification which took place at Asunción on 14 March 1967, in accordance with article 21.

[2] United Nations, *Treaty Series*, Vol. 15, p. 295; for the texts of the Protocols amending this Convention, see Vol. 320, pp. 209 and 217; Vol. 418, p. 161, and Vol. 514, p. 209.

to perform the functions at present exercised by the said Department or Ministry ;

(2) " Designated airline " means any airline indicated by one of the Contracting Parties to operate the agreed air services the designation of which, in accordance with article 3, is communicated in writing to the aeronautical authorities of the other Contracting Party ;

(3) " Territory ", " air service ", " international air service " and " stop for non-traffic purposes " shall have the meanings assigned to them in articles 2 and 96 of the Convention on International Civil Aviation of 7 December 1944, drawn up at Chicago, in their respective versions for the time being in force ;

(4) " Traffic requirements " means the demand for passenger, cargo and mail traffic between the two extremities of a route between the territories of the two Contracting Parties, calculated during a specified period by agreement between the two Contracting Parties ;

(5) " Capacity of an aircraft " means the payload of an aircraft, expressed in number of seats in the case of passengers and in weight in the case of goods and mail, which may be occupied or can be carried between the point of origin and the point of destination of the route to which the aircraft is assigned between the territories of the Contracting Parties ;

(6) " Transport capacity provided " means the total capacities of the aircraft used in the operation of each agreed air service, multiplied by the frequency with which such aircraft operate during a specified period ;

(7) " Air route " means the pre-established itinerary to be followed by an aircraft operating a scheduled air service for the public transport of passengers, goods and mail ;

(8) " Argentine-Paraguayan traffic " shall be traffic originating in the territory of one of the Contracting Parties and bound for the territory of the other Contracting Party, whether carried by airlines of the Contracting Parties or by foreign airlines ;

(9) " Regional traffic " means air traffic which originates in the territory of a Contracting Party and terminates in the territory of an adjacent State.

Article 2

(1) The Contracting Parties grant to each other the rights described in this Agreement for the establishment of the agreed international air services.

(2) The routes on which the designated airlines of the two Contracting Parties may operate international air services shall be laid down in a schedule to be agreed upon by an exchange of diplomatic notes.

(3) Each Contracting Party grants to the other Contracting Party, for the operation of the international air services by the designated airlines on the routes laid down in accordance with paragraph (2), the right of non-stop transit over its territory and the right to make stops in its territory for non-traffic purposes.

(4) In view of the geographical situation of the Argentine Republic and the Republic of Paraguay, the two States specifically accord to each other recognition of their entitlement to exercise the rights set forth in this article on extensions of their routes to points beyond their respective territories. Each Contracting Party grants to the other Contracting Party, under the conditions laid down in article 11, the right to put down and take on passengers, mail and cargo at the points agreed upon in accordance with paragraph (2), and indicated in the schedule.

Article 3

(1) The international air service may be inaugurated immediately, on any of the routes laid down in accordance with article 2, paragraph (2), when :

(*a*) The Contracting Party to which the rights specified in article 2, paragraphs (2) and (4) have been granted has designated one or more airlines and has notified the other Contracting Party in writing, and

(*b*) The Contracting Party granting the said rights has issued to the designated airline or airlines the authorization to inaugurate the international air service.

(2) The Contracting Party granting the said rights shall issue without delay the authorization to operate the international air services, subject to the provisions of article 4, paragraphs (1) and (2), and without prejudice to the right of each of the Contracting Parties to satisfy itself that the designated airlines are qualified under the national laws and regulations which it normally applies for the purpose of granting authorization.

Article 4

(1) Each Contracting Party reserves the right to withhold or revoke, after consultation, the grant to an airline designated by the other Contracting Party of the operating authorization provided for in article 3 if the said airline is unable, unpon request, to show that substantial ownership and

effective control of that airline are vested in nationals or corporations of the other Contracting Party or in the other Contracting Party itself.

(2) The same right may be exercised, after consultation, where an airline designated by one of the Contracting Parties is unable to show that it can comply with the requirements laid down in the laws and other provisions of the aforesaid Contracting Party for the operation of an international air service or with the requirements laid down by this Agreement, or where it fails to comply with the aforementioned provisions, unless in order to avoid violations of the laws and other provisions it is necessary immediately to suspend or impose conditions on the operation of the service.

Article 5

Each Contracting Party shall have the right to replace an airline which it has designated, by notifying the other Contracting Party in writing in accordance with the provisions of article 3. The new designated airline shall, after complying with the requirements of the relevant laws and regulations, enjoy the same rights and be subject to the same obligations as the airline which it replaces.

Article 6

In order to prevent any discriminatory measure and to respect the principle of equality of treatment, it is agreed that :

(*a*) The charges which either Contracting Party may impose or permit to be imposed on the airlines designated by 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 airlines operating similar international services ;

(*b*) Fuel, lubricating oils, spare parts and regular equipment intended solely for use by aircraft employed by the airlines designated by one of the Contracting Parties or introduced into the territory of the other Contracting Party by or on behalf of such airlines, or taken on board in such territory for use on board the aircraft of such airlines, shall be accorded by the latter Contracting Party the same treatment as it applies to its national aircraft with respect to customs duties, inspection fees and other charges imposed on aircraft engaged in similar international services. If one Contracting Party applies to the airlines designated by the other Contracting Party customs duties and other charges on the aforementioned goods, the latter Contracting Party shall have the right to impose the same charges in respect of the aforesaid goods ;

(*c*) The aircraft of one Contracting Party operating the agreed services, and fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board such aircraft under customs supervision, shall be exempt in the territory of the other Contracting Party from customs duties, inspection fees and all other charges, even though such supplies be used or consumed on flights over that territory ;

(*d*) Spare parts and equipment imported into the territory of either of the Contracting Parties for installation or use in the aircraft of their designated airlines shall be admitted free of duties and charges but subject to the regulations of the Contracting Party into whose territory they are introduced, which may require them to be retained under customs supervision ;

(*e*) The articles referred to in sub-paragraphs (*c*) and (*d*) above and enjoying the exemption therein provided may not be unloaded from the aircraft of one Contracting Party save with the approval of the customs authorities of the other Contracting Party. Until they are re-exported or used, such articles shall remain under the customs supervision of the other Contracting Party, but their availability shall not be affected thereby.

Article 7

Certificates of airworthiness, certificates of competency and licences issued or rendered valid by either Contracting Party shall, during the period when they are in force, be recognized by the other Contracting Party for the purpose of operating the agreed air services. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party or by a third State.

Article 8

(1) In the territory of each Contracting Party the laws and other regulations relating to the admission to, stay in or departure from its territory of aircraft engaged in international air navigation, or to the operation, handling and navigation of such aircraft, shall apply to the aircraft of the airlines designated by the other Contracting Party.

(2) The laws and other regulations of a Contracting Party governing the admission to, stay in or departure from its territory of passengers, crews or cargo carried by aircraft, such as those relating to police, entry, immigration, clearance, passports, customs and quarantine, shall apply to passengers, crews and cargo on board the aircraft assigned to operate the agreed air services.

(3) Passengers in transit through the territory of a Contracting Party shall be subject to a simplified control procedure. Baggage and cargo in direct transit on board the aircraft of one Contracting Party shall be exempt in the territory of the other Contracting Party from customs duties, inspection fees and similar charges.

Article 9

The airport authorities and the customs, immigration, police and health authorities of the Contracting Parties shall apply the provisions contained in articles 6 and 8 above in the simplest and most expeditious manner, in order to avoid any delay to the aircraft assigned to operate the agreed air services.

The said authorities shall take the foregoing into account in formulating and applying their regulations.

Article 10

The airlines designated by each Contracting Party shall have legal representation invested with sufficient powers to be accountable to the competent authorities of the other Contracting Party for the obligations incurred by such airlines by reason of their operations.

Article 11

(1) The designated airlines shall receive fair and equitable treatment so that they may have equal opportunities in operating the agreed air services between the territories of the Contracting Parties. The volume of Argentine-Paraguayan traffic resulting from the agreed air services shall be divided equally between the two Contracting Parties. The aeronautical authorities of the two Contracting Parties shall agree upon the air services to be provided by the designated airlines, taking into account the principle that all Argentine-Paraguayan traffic should, to the extent possible, be carried by such airlines of the two Contracting Parties in equal proportions. It is understood that each of the Contracting Parties is entitled to one half of the volume of the aforementioned traffic, of which it may avail itself only in behalf of airlines of its nationality.

(2) Differences in equipment or changes of equipment by the airlines of one Contracting Party shall not be deemed prejudicial to the interests of the airlines of the other Contracting Party operating the same route or part thereof. Changes of equipment must be effected in accordance with the provisions of article 13, paragraph (3).

(3) If the airlines designated by one Contracting Party should be temporarily prevented from taking advantage of the opportunities provided by this Agreement, the two Contracting Parties shall consider the situation with a view to facilitating the necessary development of traffic; if an airline designated by that Contracting Party wishes to begin operation of its agreed air services in the territory of the other Contracting Party or to increase their frequency in order to enjoy the same advantages, the airline designated by the other Contracting Party shall, at the request of the Contracting Party affected, reduce, six months after being notified, any services which it may have increased as a result of the aforementioned situation.

(4) The air services on the routes specified in the manner laid down in article 2, paragraph (2), shall have as their primary objective the provision, at a load factor deemed reasonable, of transport capacity corresponding to the normal and logically foreseeable requirements of air traffic coming from or destined for the territory of the Contracting Party which designated the airline operating the said services.

(5) Within the limit of the transport capacity provided under the terms of paragraph (4) above and to complement it, the airlines designated by one Contracting Party may satisfy the requirements of traffic between the territory of a third State situated on the air routes specified in the manner laid down in article 2, paragraph (2), and the territory of the other Contracting Party. The exercise of this right shall be agreed upon without discrimination against foreign airlines which are in the same circumstances and which operate over the same route segment.

(6) The designated airlines may provide additional service over and above the transport capacity referred to in paragraphs (4) and (5) above whenever it is warranted by the traffic requirements of the countries situated on the routes specified in the manner laid down in article 2, paragraph (2). If the interests of a Contracting Party should be affected thereby, an exchange of views shall take place, at its request, in accordance with the provisions of article 14.

(7) For the purposes of paragraphs (3), (4), (5) and (6) above, the Contracting Parties recognize that the development of local and regional air services constitutes a legitimate and primary right of the countries concerned with the routes specified in the manner laid down in article 2, paragraph (2).

Article 12

(1) The tariffs shall be established at appropriate levels, regard being paid to the operating costs of the designated airlines, reasonable profit and

the special characteristics of the air services. For this purpose the basic principles governing international air transport shall be considered.

(2) The designated airlines shall endeavour in the first instance to agree among themselves upon the tariffs in respect of each route between the territories of the Contracting Parties and each route segment touching the territory of one of the Contracting Parties. Such tariffs shall be submitted for approval to the aeronautical authorities of the two Contracting Parties not less than 30 (thirty) days before the proposed date of their entry into force ; this period of 30 (thirty) days may be reduced if the aeronautical authorities of the Contracting Parties so agree. In the event that agreement is not reached among the designated airlines or that one aeronautical authority does not approve the tariffs submitted, the aeronautical authorities of the two Contracting Parties shall jointly establish the tariffs. The existing tariffs shall continue in force until the agreement mentioned is reached. If the aeronautical authorities of the two Contracting Parties cannot reach an agreement, the procedure laid down in article 15, paragraph (1), shall be followed.

Article 13

(1) As from the date on which this Agreement enters into force, the aeronautical authorities of the Contracting Parties shall exchange information as promptly as possible concerning the authorizations given to their airlines to operate all or part of the agreed services. Such information shall consist, in particular, of copies of the authorizations granted, any changes therein and other documents.

(2) The aeronautical authorities of the Contracting Parties shall, not less than 30 (thirty) days prior to the effective inauguration of their respective services, communicate to each other, for approval, the frequencies and itineraries, and also any changes therein.

(3) The designated airlines shall in like manner communicate to the aeronautical authorities of the two Contracting Parties, in accordance with the laws and regulations for the time being in force, the inauguration of the respective services, the types of aircraft to be used and the time-tables, and also any changes therein.

(4) The aeronautical authority of one Contracting Party shall provide the aeronautical authority of the other Contracting Party, if the latter so requests, with all data and other statistical information required for determining the volume, the actual origin and the final destination of the traffic, in order that the latter authority may ascertain the transport capacity provided by the airlines designated by the other Contracting Party on the

routes specified in the manner laid down in article 2, paragraph (2). It is understood that such exchanges shall be effected in so far as the Contracting Parties are able to provide the required data and to the extent permitted by their laws

(5) Breaches of air service regulations committed by personnel of the airlines designated by one Contracting Party shall be reported to the aeronautical authorities of that Contracting Party by the aeronautical authorities of the Contracting Party in whose territory the breach was committed. If the breach is of a serious nature, the said authorities shall be entitled to request that appropriate measures should be taken.

Article 14

Exchanges of views between the aeronautical authorities of the two Contracting Parties for the purpose of achieving close co-operation and understanding on all matters relating to the application and interpretation of this Agreement may take place at any time and by any means.

Article 15

(1) Either of the Contracting Parties may request consultation at any time for the purpose of considering amendments to this Agreement or to the schedule. The same shall apply for the purpose of considering the interpretation and application of the Agreement if, in the view of one of the Contracting Parties, the exchanges of views provided for in article 14 have yielded no result. The consultation shall begin within sixty days from the date of receipt of the request.

(2) The request for consultation shall not detract from the validity of the administrative measures which have been or may be adopted by the other Contracting Party as a result of the interpretation or application of this Agreement. Nevertheless, the Contracting Parties undertake to comply with any provisional measures or decisions taken by the arbitral tribunal in accordance with the provisions of article 16, paragraph (4).

Article 16

(1) In the event of any disagreement relating to the interpretation or application of this Agreement which cannot be settled in accordance with article 15 of the Agreement, the question shall, at the request of one of the Contracting Parties, be referred to an arbitral tribunal.

(2) The arbitral tribunal shall be constituted on an *ad hoc* basis, one arbitrator being appointed by each of the Contracting Parties and the two

arbitrators selecting, by agreement, a national of a third State as umpire, who shall be appointed by the Governments of the two Contracting Parties. The arbitrators shall be appointed within sixty days and the umpire within ninety days from the date on which one of the Contracting Parties notifies the other Party of its intention to refer the disagreement to arbitration.

(3) If the time-limits specified in paragraph (2) are not observed, either of the Contracting Parties may, unless otherwise agreed, request the President of the Council of the International Civil Aviation Organization (ICAO) to make the necessary appointments. If the President is a national of one of the Contracting Parties or is unable to act for other reasons, his deputy shall make the appointments.

(4) The arbitral tribunal shall take its decisions by majority vote and shall adopt its own rules of procedure. Its decisions shall be binding on the two Contracting Parties. Each of the Contracting Parties shall defray the expenses of its arbitrator. The expenses of the umpire and other necessary costs of the arbitration proceedings shall be defrayed equally by the two Contracting Parties.

Article 17

This Agreement, all amendments to it and all documents exchanged in accordance with article 2, paragraph (2), shall be communicated to the International Civil Aviation Organization (ICAO) for registration.

Article 18

(1) If a general multilateral convention on air transport, accepted by both Contracting Parties, should enter into force, the provisions of the multilateral convention shall prevail.

(2) All discussions for the purpose of determining to what extent this Agreement has been abrogated, superseded, modified or supplemented by the provisions of the multilateral convention shall be held in accordance with the provisions of article 15.

Article 19

This Agreement supersedes any privileges, concessions or authorizations granted by one of the Contracting Parties to airlines designated by the other Contracting Party, whose air services shall continue to operate in the same form as hitherto, subject to such changes as may be adopted in the future in application of this Agreement.

Article 20

The airlines designated by each of the Contracting Parties shall apply the same criterion for engaging personnel of the nationality of the place in which their activities are carried out, in accordance with the principle of reciprocity.

Article 21

(1) This Agreement shall be ratified. The instruments of ratification shall be exchanged as soon as possible at Asunción, Paraguay.

(2) This Agreement shall enter into force thirty days after the exchange of the instruments of ratification.

(3) Either Contracting Party may denounce this Agreement at any time in writing, and the Agreement shall cease to have effect one year after the date on which the notice of denunciation is received by the other Contracting Party.

DONE and signed at Buenos Aires, on 7 February 1964, in two original copies, both in the Spanish language, the texts being equally authentic.

For the Republic of Paraguay :

Raul SAPENA PASTOR
Minister for Foreign Affairs

For the Argentine Republic :

Miguel Angel ZAVALA ORTIZ
Minister for Foreign Affairs and Worship

Leopoldo SUAREZ
Minister of Defence