No. 9239

SWEDEN and SPAIN

Agreement relating to air services (with annex, Additional Protocol, memorandum and exchange of notes). Signed at Madrid, on 5 May 1965

Official texts: Spanish and English.

Registered by the International Civil Aviation Organization on 18 September 1968

SUÈDE et ESPAGNE

Accord relatif aux services aériens (avec annexe, Protocole additionel, mémorandum et échange de notes). Signé à Madrid, le 5 mai 1965

Textes officiels espagnol et anglais.

Enregistré par l'Organisation de l'aviation civile internationale le 18 septembre 1968.

No. 9239. AGREEMENT¹ BETWEEN THE GOVERNMENT OF SWEDEN AND GOVERNMENT OF SPAIN RELATING TO AIR SERVICES. SIGNED AT MADRID, ON 5 MAY 1965

The Government of Sweden and the Government of Spain, hereinafter described as the Contracting Parties,

Being parties to the Convention² on International Civil Aviation and the International Air Services Agreement, both signed at Chicago on the seventh day of December, 1944,3

Having concluded an Air Services Agreement, signed at Madrid on the eighteenth day of February, 1950,4

Have agreed—for the purpose of further promoting air communications between and beyond their respective territories—upon the following:

Article 1

For the purpose of this Agreement:

- (a) The term "the Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944, and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or the Convention under Articles 90 and 94 thereof:
- (b) The term "aeronautical authorities" means, in the case of the Government of Sweden, Kungl. Luftfartsstyrelsen and in the case of Spain Secretaría General y Técnica de Aviación Civil, Ministerio del Aire, or in both cases any person or body authorized to perform the functions presently exercised by the abovementioned authorities; and
- (c) The terms "territory", "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Articles 2 and 96 of the Convention.

Article 2

Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement, for the purpose of establishing scheduled

¹ Came into force on 5 May 1965 by signature, in accordance with article 18.

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.

³ United Nations, *Treaty Series*, Vol. 84, p. 389.

⁴ United Nations, *Treaty Series*, Vol. 166, p. 15.

international air services on the routes specified in the Annex hereto. Such services and routes are hereafter called "the agreed services" and "the specified routes" respectively. The airlines designated by each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following rights:

- (a) to fly without landing across the territory of the other Contracting Party;
 - (b) to make stops in the said territory for non-traffic purposes;
- (c) to make stops in the said territory at the points specified for that route in the Annex to the present Agreement for the purpose of putting down and taking on international traffic in passengers, cargo and mail.

Article 3

- 1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the specified routes.
- 2. On receipt of such designation the other Contracting Party shall, subject to the provisions of paragraphs 3 and 4 of this Article, without delay grant to the airline or airlines designated the appropriate operating authorizations.
- 3. The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.
- 4. Each Contracting Party shall have the right to refuse to grant the operating authorizations referred to in paragraph 2 of this Article, or to impose such conditions as it may deem necessary on the exercise by a designated airline of the rights specified in Article 2, in any case where the said Contracting Party is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.
- 5. When an airline has been so designated and authorized, it may begin at any time to operate the agreed services, provided that a tariff established in accordance with the provisions of Article 9 of the present Agreement is in force in respect of that service.

Article 4

- 1. The capacity provided by the designated airlines of both Contracting Parties shall bear a close relationship to traffic requirements.
- 2. The designated airlines of both Contracting Parties shall be given a fair and equal treatment with a view to enjoy equal possibilities to operate the agreed services on the specified routes.
- 3. In operating the agreed services on the common specified routes the designated airlines of both Contracting Parties shall take into account the mutual interest so as not to affect unduly the respective routes.
- 4. The agreed services shall have as their primary objective the provision of a capacity which corresponds to the traffic requirements between the territory of the Contracting Party designating the airline and the countries of destination.
- 5. The right for the designated airlines to take on or put down in international traffic at one or more points on the specified routes within the territory of the other Contracting Party passengers, cargo and mail destined for or coming from a third country shall be exercised in accordance with the general principles of the orderly development of civil aviation accepted by both Contracting Parties and taking into account that capacity shall be related to:
- (a) traffic requirements between the country of origin and the countries of destination;
 - (b) requirements of an economic operation of the agreed services;
- (c) traffic requirements of the areas through which the airline passes, after taking account of local and regional services.

Article 5

- 1. Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 2 of the present Agreement by an airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of these rights:
- (a) in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in nationals of such Contracting Party, or
- (b) in the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting these rights, or
- (c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under the present Agreement.
- 2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article is essential to prevent further infringe-

ments of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party.

Article 6

- 1. Aircraft operated on international services by the designated airlines of either Contracting Patry, as well as their regular equipment, supplies of fuel and lubricants, and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees and other duties or taxes on arriving in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported.
- 2. There shall also be exempt from the same duties and taxes, with the exception of charges corresponding to the service performed:
- (a) aircraft stores taken on board in the territory of either Contracting Party, within limits fixed by the authorities of said Contracting Party, and for use on board aircraft engaged in an international service of the other Contracting Party;
- (b) spare parts entered into the territory of either Contracting Party for the maintenance or repair of aircraft used on international services by the designated airlines of the other Contracting Party;
- (c) fuel and lubricants destined to supply aircraft operated on international services by the designated airlines of the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they are taken on board.

Materials referred to in sub-paragraphs (a), (b) and (c) above may be required to be kept under Customs supervision or control.

Article 7

The regular airborne equipment, as well as the materials and supplies retained on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of such territory. In such case, they may be placed under the supervision of said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

Article 8

Passengers in transit across the territory of either Contracting Party shall be subject to no more than a very simplified control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.

Article 9

- 1. The tariffs to be charged by the airlines of one Contracting Party for carriage to or from the territory of the other Contracting Party shall be established at reasonable levels due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service, and the tariffs of other airlines.
- 2. The tariffs referred to in paragraph 1 of this Article shall, if possible, be agreed by the designated airlines concerned of both Contracting Parties, in consultation with other airlines operating over the whole or part of the route, and such agreement shall, where possible be reached through the rate-fixing machinery of IATA.
- 3. The tariffs so agreed, as well as the conditions upon which those tariffs depend and the conditions for any auxiliary functions which are associated with the application of those tariffs, shall be submitted for the approval of the aeronautical authorities of the Contracting Parties at least thirty (30) days before the proposed date of their introduction; in special cases, this time limit may be reduced, subject to the agreement of the said authorities.
- 4. If the designated airlines cannot agree on any of these tariffs, or if for some reason a tariff cannot be fixed in accordance with the provisions of paragraph 2 of this Article, or if during the first 15 days of the 30 days' period referred to in paragraph 3 of this Article one Contracting Party gives the other Contracting Party notice of its dissatisfaction with any tariff agreed in accordance with the provisions of paragraph 2 of this Article, the aeronautical authorities of the Contracting Parties shall try, after consultation with any other aeronautical authority whose advice they consider useful, to determine the tariff by agreement between themselves.
- 5. If the aeronautical authorities cannot agree on the approval of any tariff submitted to them under paragraph 3 of this Article and on the determination of any tariff under paragraph 4, the dispute shall be settled in accordance with the provisions of Article 15.
- 6. Subject to the provisions of paragraph 3 of this Article, no tariff shall come into force if the aeronautical authorities of either Contracting Party have not approved it.
- 7. The tariffs established in accordance with the provisions of this Article shall remain in force until new tariffs have been established in accordance with the provisions of this Article.

Article 10

Either Contracting Party undertakes to grant the other Party free transfer, at the official rate of exchange, of the excess of receipts over expenditure achieved

on its territory in connection with the carriage of passengers, baggage, mail shipments and freight by the designated airline of the other Party. Wherever the payments system between the Contracting Parties is governed by a special agreement, this agreement shall apply.

Article 11

In a spirit of close co-operation, the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of and satisfactory compliance with, the provisions of the present Agreement and the Annexes thereto.

Article 12

- 1. If either of the Contracting Parties considers it desirable to modify any provision of the present Agreement, it may request consultation with the other Contracting Party; such consultation, which may be between aeronautical authorities and which may be through discussion or by correspondence, shall begin within a period of sixty (60) days of the date of the request. Any modifications so agreed shall come into force when they have been confirmed by an exchange of diplomatic notes.
- 2. Modifications to the Annex to this Agreement may be made by direct agreement between the competent aeronautical authorities of the Contracting Parties.

Article 13

The present Agreement and its Annex will be amended so as to conform with any multilateral convention which may become binding on both Contracting Parties.

Articles 14

Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate the present Agreement; such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate twelve (12) 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 acknowledgement 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 International Civil Aviation Organization.

Article 15

- 1. If any dispute arises, between the Contracting Parties relating to the interpretation or application of this present Agreement, the Contracting Parties shall in the first place endeavour to settle it by negotiation.
- 2. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body, or the dispute may at the request of either Contracting Party be submitted for decision to a tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute and the third arbitrator shall be appointed within a further period of sixty days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the Civil Aviation Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. In such case, the third arbitrator shall be a national of a third State and shall act as president of the arbitral body.
- 3. The Contracting Parties undertake to comply with any decision given under paragraph 2 of this Article.

Article 16

The charges imposed by either Contracting Party for the use of airports and air navigation facilities by the aircraft of the designated airline of the other Contracting Party shall not be higher than those paid by its national aircraft operating international services.

Article 17

The present Agreement, any amendment to it and any exchange of notes under this Agreement shall be communicated to the International Civil Aviation Organization for registration.

Article 18

The present Agreement will enter into force on the date of signature and will replace the Air Services Agreement signed in Madrid the eighteenth day of February, 1950.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this agreement.

DONE, in duplicate, at Madrid this fifth day of May, 1965, in the English and Spanish languages, both texts being of equal authenticity.

For the Government of Sweden:

Carl-H. Borgenstierna

For the Government of Spain:
Fernando Maria Castiella y Maíz

ANNEX

I

Routes to be operated by the designated airline of Sweden

- 1. a. Points in Scandinavia-Dusseldorf or Stuttgart-Nice-Madrid v.v.¹
- b. Points in Scandinavia-Dusseldorf or Stuttgart-Nice-Las Palmas v.v.¹ ²
- c. Points in Scandinavia-Dusseldorf or Stuttgart-Nice-Barcelona v.v.1
- d. Points in Scandinavia-Amsterdam or Brussels-Nice-Palma de Mallorca v.v.¹
- 2. Points in Scandinavia-via intermediate points-Madrid or Las Palmas-points in Africa v.v., the intermediate points and the points in Africa to be decided by agreement between the aeronautical authorities.

II

Routes to be operated by the designated airline of Spain

- 1. a. Points in Spain-Brussels-Copenhagen-Stockholm v.v.
- b. Points in Spain-Amsterdam-Copenhagen-Stockholm v.v.
- c. Points in Spain-Dusseldorf-Copenhagen-Stockholm v.v.
- d. Points in Spain-Frankfurt-Copenhagen-Stockholm v.v.
- 2. Points in Spain-Copenhagen-via intermediate points-Tokyo-Manila-points beyond in Asia v.v., the intermediate points and the points in Asia to be decided by agreement between the aeronautical authorities.

III

1. The designated airline of one Contracting Party may make stops at points outside the territory of the other Contracting Party, which have not been included in this Annex, such stops not being regarded as constituting a modification of the Annex. Howexer, no commercial rights in respect of the other Contracting Party can be enjoyed by said airline in connection with such stops.

Without traffic rights Nice-Las Palmas v.v. and Nice-Palma de Mallorca, v.v.

¹ The final intermediate points to be determined through conversations between the aeronautical authorities.

- 2. Any points on the routes specified in this Annex may at the option of the designated airline be omitted on any or all flights.
- 3. The routes I.2 and II.2 may not be operated until agreement has been reached between the Swedish and Spanish Gobernments.

ADDITIONAL PROTOCOL

In connection with the negotiations for new and revised Air Services Agreements between Spain and the Scandinavian Countries, held in Madrid February 2nd-8th, 1965, the following agreement was reached between the aeronautical authorities of the said countries:

- 1. Should a crew member of an aircraft registered in one country infringe the laws and regulations of air navigation of another country, the aeronautical authority of the latter country will contact the aeronautical authority of the country of registration of the aircraft in order to make it possible for that authority to take appropriate steps to avoid repetition of such infraction. The same refers to any other employee of a designated airline.
- 2. The designated airlines shall submit their schedules to the civil aviation authorities for approval within the time limits prescribed in the national regulations in force. The civil aviation authorities shall inform each other as soon as possible, if the schedule cannot be approved.
- 3. It is understood that the transport of mail will be handled by the respective postal authorities in accordance with the principles and within the framework of the World Postal Convention.

Done, in duplicate, at Madrid this fifth day of May, 1965, in the English and Spanish languages, both texts being of equal authenticity.

For the Gouvernment of Sweden: Carl-H. Borgenstierna

For the Government of Spain: Fernando Maria CASTIELLA Y MAÍZ

MEMORANDUM

During the negotiations regarding air services agreements between the Scandinavian countries and Spain the following questions were raised:

1. The Scandinavian and Spanish delegations reconfirmed the mutual interest of promoting the air traffic between and beyond their respective countries taking into due consideration the conditions of the market.

2. The Scandinavian delegation in particular expressed their view that the development of economically justified direct services from Scandinavia to the points in Spain, mentioned in the route lists, were desirable as soon as possible. However, a combination of two points in Spain on one or more routes was justified for economic reasons during the period of development. The designated airlines of the Scandinavian countries therefore would apply for permission to operate routes with two stops in Spanish territory during an intermediate period until direct routes were warranted by the traffic development.

The Spanish delegation ascertained that the Spanish authorities, without any binding commitment in advance, would take these views of the Scandinavian delegation into serious consideration.

3. The Spanish delegation explained that the Spanish authorities were prepared to consider favourably applications from the designated airlines of the Scandinavian countries for traffic rights between points in Spain and in Africa in accordance with point I.2 of the Annex to the air services agreements between the Scandinavian countries and Spain.

The Scandinavian delegation explained that the Scandinavian authorities were equally prepared to consider favourably applications from the Spanish designated airline for traffic rights between points in Scandinavia and in Asia in accordance with point II.2 of the annex to the air services agreements between the Scandinavian countries and Spain.

4. The Scandinavian delegation explained that the designated airlines would like to apply for additional points in Spain with temporary rights. The Scandinavian delegation explained that the respective authorities were equally prepared to consider favourably applications from the Spanish designated airline for additional points in Scandinavia with temporary rights.

The Spanish delegation mentioned that the airlines of both parties have always the possibility to present supplementary applications outside the agreement and the authorities are ready to consider these applications with good will taking into account the contents of point 1.

5. The Scandinavian and Spanish delegations pointed out that they were not able to make any binding commitments in advance.

Done, in duplicate, at Madrid this fifth day of May, 1965, in the English and Spanish languages, both texts being of equal authenticity.

For the Government of Sweden:

Carl-H. Borgenstierna

For the Government of Spain: Fernando Maria Castiella y Maíz

EXCHANGE OF NOTES

I

Madrid, May 5th, 1965

Sir,

With reference to the Agreement signed this day between the Government of Sweden and the Government of Spain, I have the honour to notify you that, in accordance with Article 3 of the Agreement, the Swedish Government designate Aktiebolaget Aerotransport (ABA) to operate the routes specified in the Annex attached to the Agreement.

In this connection I have the honour to confirm, on behalf of my Government, the following understanding:

- 1) Aktiebolaget Aerotransport (ABA) cooperating with Det Danske Luftfartsselskab (DDL) and Det Norske Luftfartsselskap (DNL) under the designation of Scandinavian Airlines System (SAS) may operate the services assigned to it under the Agreement with aircraft, crews and equipment of either or both of the other two airlines.
- 2) In so far as Aktiebolaget Aerotransport (ABA) employ aircraft, crews and equipment of the other airlines participating in the Scandinavian Airlines System (SAS), the provisions of the Agreement shall apply to such aircraft, crews and equipment as though they were the aircraft, crews and equipment of Aktiebolaget Aerotransport (ABA) and the competent Swedish authorities and Aktiebolaget Aerotransport shall accept full responsibility under the Agreement therefor.

Accept, Sir, the assurance of my highest consideration.

Carl-H. BORGENSTIERNA

[SPANISH TEXT — TEXTE ESPAGNOL]

II

Madrid, 5 de Mayo de 1965

Excelentísimo Señor:

Tengo la honra de acusar recibo a su carta de fecha de hoy que, traducida dice como sigue en sus párrafos 1 y 2:

- 1) Aktiebolaget Aerotransport (ABA) en cooperación con Det Danske Luftfartssels-kab (DDL) y Det Norske Luftfartsselskap (DNL) bajo el nombre de Scandinavian Airlines System (SAS) puede operar los servicios a ella asignados según el Convenio con aviones, tripulaciones y equipos de una de las dos o de las dos líneas aéreas.
- 2) En tanto en cuanto Aktiebolaget Aerotransport (ABA) emplee aviones, tripulaciones y equipos de las otras líneas aéreas que participan en la Scandinavian Airlines

System (SAS), las disposiciones del Convenio se aplicarán a tales aviones, tripulaciones y equipos como si fueran aviones, tripulaciones y equipos de Aktiebolaget Aerotransport (ABA) y las Autoridades competentes suecas y Aktiebolaget Aerotransport (ABA) por lo tanto, aceptarán la plena responsabilidad estipulada en el Convenio.

Tengo la honra de manifestar la conformidad de mi Gobierno con cuanto antecede.

Le ruego acepte, Señor Embajador, las seguridades de mi alta consideración.

Fernando Maria Castiella y Maíz

[Translation]

Madrid, May 5th, 1965

Sir,

I have the honour to aknowledge the receipt of your letter of to-day's date, paragraphs 1 and 2 of which read as follows:

[See note I]

I have the honour to state that my Government is in agreement with the foregoing.

Please accept, etc.

Fernando Maria CASTIELLA Y MAÍZ