

No. 9999

**UNITED STATES OF AMERICA
and
INDONESIA**

**Air Transport Agreement (with schedule). Signed at Djakarta on
15 January 1968**

Authentic text: English.

Registered by the United States of America on 1 November 1969.

**ÉTATS-UNIS D'AMÉRIQUE
et
INDONÉSIE**

**Accord relatif aux transports aériens (avec tableau). Signé à
Djakarta le 15 janvier 1968**

Texte authentique: anglais.

Enregistré par les Etats-Unis d'Amérique le 1^{er} novembre 1969.

AIR TRANSPORT AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

The Government of the United States of America and the Government of the Republic of Indonesia,

Recognizing the increasing importance of international air travel between the two countries and desiring to conclude an Agreement which will assure its continued development in the common welfare, and

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944,²

Have accordingly appointed duly authorized representatives for this purpose, who have agreed as follows:

Article 1

For the purposes of this Agreement:

A. "Aeronautical authorities" shall mean, in the case of the Republic of Indonesia, the Minister for Communications or any person or agency authorized to perform the functions exercised at the present time by the Minister for Communications; and in the case of the United States of America the Civil Aeronautics Board or any person or entity authorized to perform the functions exercised at present by the Civil Aeronautics Board.

B. "Designated airline" shall mean an airline that one Contracting Party has notified the other Contracting Party to be an airline which will operate a specific route or routes listed in the Route Schedule of this Agreement. Such notification shall be communicated in writing, through diplomatic channels.

C. "Territory", in relation to a State, shall mean the land areas under the sovereignty, protection, administration or trusteeship of that State, and territorial waters adjacent thereto.

¹ Came into force on 15 January 1968 by signature, in accordance with article 15.

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.

D. "Air service" shall mean any scheduled air service performed by aircraft for the public transport of passengers, mail or cargo.

E. "International air service" shall mean an air service which passes through the air space over the territory of more than one State.

F. "Stop for non-traffic purposes" shall mean a landing for any purpose other than taking on or discharging passengers, cargo, or mail.

G. "Agreement" shall mean this Agreement and the annexed Route Schedule, and any amendments thereto.

Article 2

A. Each Contracting Party grants to the other Contracting Party rights for the conduct of air services by the designated airline or airlines as follows:

- (i) To fly without landing across the territory of the other Contracting Party;
- (ii) To take stops in the said territory for non-traffic purposes; and
- (iii) To take on and discharge international traffic in passengers, cargo, and mail, separately or in combination, at the points in its territory named on each of the routes specified in the appropriate paragraph of the Route Schedule of this Agreement.

B. Nothing in paragraph A of this Article shall be deemed to confer on the airline of one Contracting Party the privilege of taking up, in the territory of the other Contracting Party, passengers, cargo, or mail carried with or without remuneration or hire and destined for another point in the territory of the other Contracting Party. However, an airline designated by one Contracting Party to provide service over a route containing more than one point in the territory of the other Contracting Party may provide a stopover at any of such points to traffic moving on a ticket or waybill providing for transportation on the same airline on a through journey to or from a point outside the territory of such other Contracting Party.

C. Notwithstanding the provisions of paragraph A of this Article, the operation of agreed services in areas of hostilities or military occupation, or in areas affected thereby, shall, in accordance with Article 9 of the Convention on International Civil Aviation be subject to the approval of the competent military authorities.

Article 3

A. Air service on a route specified in the route schedule of this Agreement may be inaugurated by an airline or airlines of one Contracting Party at any time after that Contracting Party has designated such airline or airlines for that route and the other Contracting Party has granted any operating permission that may be necessary. Such other Contracting Party shall, subject to the following paragraphs, grant this permission with a minimum of procedural delay provided that the designated airline or airlines may be required to qualify before the competent aeronautical authorities of that Contracting Party, under the laws and regulations normally applied by those authorities, before being permitted to engage in the operations contemplated by this Agreement.

B. Each Contracting Party reserves the right to withhold or revoke the operating permission referred to in paragraph A of this Article with respect to an airline designated by the other Contracting Party, or to impose conditions on such permission, in the event that:

- (1) such airline fails to qualify under the laws and regulations normally applied by the aeronautical authorities of that Contracting Party;
- (2) such airline fails to qualify under the laws and regulations referred to in Article 4 of this Agreement; or
- (3) that Contracting Party is not satisfied that substantial ownership and effective control of such airline are vested in nationals of the other Contracting Party.

C. Unless immediate action is essential to prevent infringement of the laws and regulations referred to in Article 4 of this Agreement, the right to revoke such permission shall be exercised only after consultation with the other Contracting Party.

Article 4

A. The laws and regulations of one Contracting Party relating to the admission to 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 be applied to the aircraft of the airline or airlines designated by the other Contracting Party and shall be complied with by such aircraft upon entering or departing from, and while within the territory of the first Contracting Party.

B. The laws and regulations of one Contracting Party relating to the admission to or departure from its territory of passengers, crew or cargo of aircraft, including regulations relating to entry, clearance, immigration, passports, customs, and quarantine shall be complied with by or on behalf of such passengers, crew, or cargo of the airline or airlines of the other Contracting Party upon entrance into or departure from, and while within, the territory of the first Contracting Party.

Article 5

Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one Contracting Party, and still in force, shall be recognized as valid by the other Contracting Party for the purpose of operating the routes and services provided for in this Agreement, provided that the requirements under which such certificates or licenses were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention on International Civil Aviation. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flight above its own territory, certificates of competency and licenses granted to its own nationals by the other Contracting Party.

Article 6

Each Contracting Party may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control, provided that such charges shall not be higher than the charges imposed for use by its national aircraft engaged in similar international services.

Article 7

A. Each Contracting Party shall exempt the designated airlines of the other Contracting Party to the fullest extent possible under its national law

from import restrictions, customs duties, excise taxes, inspection fees, and other national duties and charges on fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular equipment, ground equipment, stores, and other items intended for use solely in connection with the operation or servicing of aircraft of the airlines of such other Contracting Party in international air service.

B. The immunities granted by this Article shall apply to the items referred to in paragraph A:

- (1) introduced into the territory of one Contracting Party by the other Contracting Party or its nationals;
- (2) retained on aircraft of the airline of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party; or
- (3) taken on board aircraft of the airlines of one Contracting Party in the territory of the other and intended for use in international air service.

Article 8

A. There shall be a fair and equal opportunity for the airlines of each Contracting Party to operate on any route covered by this Agreement.

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

C. The air services made available to the public by the airlines operating under this Agreement shall bear a close relationship to the requirement of the public for such services.

D. Services provided by a designated airline under this Agreement shall retain as their primary objective the provision of capacity adequate to the traffic demands between the country of which such airline is a national and the countries of ultimate destination of the traffic. The right to embark or disembark on such services international traffic destined for and coming from third countries at a point or points on the routes specified in this Agreement

shall be exercised in accordance with the general principles of orderly development to which both parties subscribe and shall be subject to the general principle that capacity should be related:

- (i) to traffic requirements between the country of origin and the countries of ultimate destination of the traffic;
- (ii) to the requirements of through airline operation; and
- (iii) to the traffic requirements of the area through which the airlines passes, after taking account of local and regional services.

Article 9

A. Neither Contracting Party may unilaterally impose any restriction on the airline or airlines of the other Contracting Party with respect to capacity, frequency, scheduling or type of aircraft employed in connection with services over any of the routes specified in this Agreement.

B. In the event that one of the Contracting Parties believes that the operations conducted by an airline of the other Contracting Party have been inconsistent with the standards and principles set forth in Article 8, it may request consultation pursuant to Article 11 of the Agreement for the purpose of reviewing the operations in question to determine whether they are in conformity with said standards and principles. For that purpose statistics will be maintained in a manner to be determined by both Contracting Parties.

Article 10

A. All rates to be charged by an airline of one Contracting Party for carriage to or from the territory of the other Contracting Party shall be reasonable, due regard being paid to all relevant factors, such as costs of operation, reasonable profit, and the rates charged by any other airlines, as well as the characteristics of each service. Such rates shall be subject to the approval of the aeronautical authorities of the Contracting Parties, who shall act in accordance with their obligations under this agreement, within the limits of their legal powers.

B. Any rate proposed to be charged by an airline of one Contracting Party to or from the territory of the other Contracting Party shall, if so required, be filed by such airline with the aeronautical authorities of the other Contracting Party at least thirty (30) days before the proposed date of introduction

unless the Contracting Party with whom the filing is to be made permits filing on shorter notice. The aeronautical authorities of each Contracting Party shall use their best efforts to insure that the rates charged and collected conform to the rates filed with either Contracting Party, and that no airline rebates any portion of such rates by any means, directly or indirectly, including the payment of excessive sales commissions to agents or the use of unrealistic currency conversion rates.

C. It is recognized by both Contracting Parties that during any period for which either Contracting Party has approved the traffic conference procedures of the International Air Transport Association, or other association of international air carriers, any rate agreements concluded through these procedures and involving an airline or airlines of that Contracting Party will be subject to the approval of the aeronautical authorities of that Contracting Party.

D. If a Contracting Party, on receipt of the notification referred to in paragraph B above, is dissatisfied with the rate proposed, it shall so inform the other Contracting Party at least fifteen (15) days prior to the date that such rate would otherwise become effective, and the Contracting Parties shall endeavour to reach agreement on the appropriate rate.

E. If a Contracting Party, upon review of an existing rate charged for carriage to or from its territory by an airline or airlines of the other Contracting Party, is dissatisfied with that rate, it shall so notify the other Contracting Party and the Contracting Parties shall endeavor to reach agreement on the appropriate rate.

F. In the event that an agreement is reached pursuant to the provisions of paragraphs D or E, each Contracting Party will exercise its best efforts to put such rate into effect.

G. (a) If, under the circumstances set forth in paragraph D, no agreement can be reached prior to the date that such rate would otherwise become effective, or

(b) If, under the circumstances set forth in paragraph E, no agreement can be reached prior to the expiration of sixty (60) days from the date of notification, then the Contracting Party raising the objection to the rate may take such steps as it may consider necessary to prevent the inauguration or the continuation of the service in question at the rate complained of, provided, however, that the Contracting Party raising the objection shall not require the

charging of a rate higher than the lowest rate charged by its own airline or airlines for comparable service between the same points.

H. When in any case, after consultations pursuant to paragraphs D and E of this Article the aeronautical authorities of the two Contracting Parties cannot agree within a reasonable time upon the appropriate rate, either Contracting Party may request arbitration pursuant to Article 12 of this Agreement. In rendering its decision or award, the arbitral tribunal shall be guided by the principles laid down in this Article.

I. Each Contracting Party undertakes to use its best efforts to insure that rates for carriage specified in terms of the national currency of one of the parties will be established in amounts which reflect the effective exchange rate (including any exchange fees or other charges) at which the airlines of the Contracting Parties can convert and remit the revenues from their transport operations in the territory of one Contracting Party into the national currency of the other Contracting Party. If a Contracting Party does not have a convertible currency and requires the submission of applications for conversion and remittance, the airlines of the other Contracting Party shall be permitted to file as often as monthly applications for conversion and remittance of surplus cash receipts, free of unnecessary or discriminatory documentary requirements. Each Contracting Party shall permit such conversion and remittance to be effected promptly at the exchange rate in effect at the time of application.

Article 11

Either Contracting Party may at any time request consultations on the interpretation, application, or amendment of this Agreement. Such consultations shall begin within a period of ninety (90) days from the date the other Contracting Party receives the request.

Article 12

A. Any dispute with respect to matters covered by this Agreement not satisfactorily adjusted through consultation shall, upon request of either Contracting Party, be submitted to arbitration in accordance with the procedures set forth herein.

B. Arbitration shall be by a tribunal of three arbitrators constituted as follows:

- (1) One arbitrator shall be named by each Contracting Party within sixty (60) days of the date of delivery by either Contracting Party to the other of a request for arbitration. Within thirty (30) days after such period of sixty (60) days, the two arbitrators so designated shall by agreement designate a third arbitrator, who shall not be a national of either Contracting Party.
- (2) If the third arbitrator is not agreed upon in accordance with paragraph (1), either Contracting Party may request the President of the International Court of Justice to designate the necessary arbitrator.

C. Each Contracting Party shall use its best efforts consistent with its national law to put into effect any decision or award of the arbitral tribunal.

D. The expenses of the arbitral tribunal, including the fees and expenses of the arbitrators, shall be shared equally by the Contracting Parties.

Article 13

This Agreement and all amendments thereto shall be registered with the International Civil Aviation Organization.

Article 14

Either Contracting Party may at any time notify the other of its intention to terminate the present Agreement. Such notice shall be sent simultaneously to the International Civil Aviation Organization.

This Agreement shall terminate one year after the date on which the notice of termination is received by the other Contracting Party, unless withdrawn before the end of this period by agreement between the Contracting Parties.

Article 15

This Agreement shall come into force on the date it is signed.

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

DONE in duplicate at Djakarta, this fifteenth day of January 1968.

For the Government
of the United States of America:
Marshall GREEN

For the Government
of the Republic of Indonesia:
SUTOPO

ROUTE SCHEDULE

1. An airline or airlines designated by the Government of the United States of America shall be entitled to operate air services on each of the air routes specified via intermediate points, in both directions, and to make scheduled landings in Indonesia at the points specified in this paragraph:

From the United States * via Mexico, Society Islands, Fiji Islands, New Caledonia, New Zealand, Australia to Bali and Djakarta and beyond to Singapore, Malaysia, territory formerly comprising Indo-China, and beyond to (a) the Philippines, Hong Kong, Taiwan, Okinawa, Korea, Japan and beyond to the United States, in both directions; (b) Thailand, Burma, India and beyond via intermediate points to the United States, in both directions.

* On services on this route, the United States points Hawaii, American Samoa and Guam may be served either as points of origin or destination or as intermediate points.

2. An airline or airlines designated by the Government of the Republic of Indonesia shall be entitled to operate air services on each of the air routes specified via intermediate points, in both directions, and to make scheduled landings in the United States at the points specified in this paragraph:

From Indonesia via Singapore, Malaysia, Thailand, South Vietnam, Hong Kong, Taiwan, Japan to Honolulu *, and to San Francisco, in both directions.

* Mandatory stop in Honolulu.

3. Points on any of the specified routes may at the option of the designated airlines be omitted on any or all flights.
