No. 11333

SWEDEN
and
MEXICO

Air Transport Agreement (with route schedule). Signed at Mexico City on 4 February 1970

Authentic texts: Swedish and Spanish.

Registered by the International Civil Aviation Organization on 17 September 1971.

SUÈDE
et
MEXIQUE

Accord relatif aux transports aériens (avec tableau de routes). Signé à Mexico le 4 février 1970

Textes authentiques: suédois et espagnol.

Enregistré par l'Organisation de l'aviation civile internationale le 17 septembre 1971.

[TRANSLATION — TRADUCTION]

AIR TRANSPORT AGREEMENT[1] BETWEEN THE KINGDOM OF SWEDEN AND THE UNITED MEXICAN STATES

The Government of the Kingdom of Sweden and the Government of the United Mexican States,

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944,[2]

Considering that the possibilities of commercial aviation as a means of transport and as a means of promoting friendly understanding and goodwill among peoples are increasing day by day,

Desiring to strengthen further the cultural and economic bonds which unite their peoples and the understanding and goodwill which exist between them,

Considering that it is desirable to organize regular air services between the two countries on an equitable basis of equality and reciprocity in order to bring about greater co-operation in the field of international air transport,

Desiring to conclude an Agreement which will facilitate the attainment of the aforementioned objectives,

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

Article 1

For the purposes of this Agreement:

A. The term "Agreement" means this Agreement and the Route Schedule annexed thereto.

B. The term "aeronautical authorities" means, in the case of Sweden, the Civil Aviation Board or any person or agency authorized to perform the functions exercised at present by the Civil Aviation Board and, in the case of the United Mexican States, the Ministry of Communications and Transport or any person or agency authorized to perform the functions exercised at present by the Ministry of Communications and Transport.

[1] Came into force provisionally on 4 February 1970, the date of signature, in accordance with article 17.

[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; vol. 514, p. 209, and vol. 740, p. 21.

C. The term "airline" means any air transport enterprise offering or operating an international air service.

D. The term "designated airline" means an airline that the aeronautical authorities of one Contracting Party have notified the aeronautical authorities of the other Contracting Party to be the airline that will operate a route or routes specified in the Route Schedule annexed to the Agreement.

E. The terms "territory", "air service", "international air service" and "stop for non-traffic purposes" shall have, for the purposes of this Agreement, the meaning specified in articles 2 and 96 of the Convention on International Civil Aviation of 7 December 1944.

F. The term "capacity of an aircraft" means the payload of an aircraft expressed in terms of the number of seats for passengers and the permissible weight for cargo and mail.

G. The term "capacity offered" means the total capacity of the aircraft used in the operation of each agreed air service, multiplied by the frequency with which such aircraft operates over a given period.

H. The term "air route" means the pre-established route to be followed by an aircraft in regular air service.

I. The term "specified route" means the route described in the Route Schedule annexed to this Agreement.

J. The term "passenger load factor" means the ratio between the number of passengers carried by an airline on a specified route over a given period and the number of seats offered by the same airline on the same route over the same period.

K. The term "frequency" means the number of round-trip flights made by an airline on a specified route over a given period.

L. The term "change of gauge" means a change, on a specified route, from one aircraft to another of a different capacity.

M. The term "regular flights" means flights made by designated airlines on specified routes, according to the approved schedules.

N. The term "through plane service" means the service offered by an airline without any change of aircraft from a point in the territory of one Contracting Party to a point in the territory of the other Contracting Party and beyond those points.

Article 2

1. Each Contracting Party grants the other Contracting Party the rights specified in this Agreement for the purpose of establishing air services on the routes specified in the annexed Route Schedule.

2. Save as otherwise provided in this Agreement, the airline designated by each Contracting Party shall, in the operation of international services, enjoy the following rights:

(*a*) To fly, without landing, across the territory of the other Contracting Party;

(*b*) To make stops for non-traffic purposes in the said territory;

(*c*) To take on and put down international traffic in passengers, cargo and mail in the said territory at the points specified in the annexed Route Schedule.

3. The fact that such rights are not exercised immediately shall not preclude the subsequent inauguration of air services by the airline of the Contracting Party to which such rights are granted over the routes specified in the said Route Schedule.

Article 3

1. Upon the entry into force of this Agreement, the aeronautical authorities of the two Contracting Parties shall as soon as possible exchange information concerning the authorizations granted for the operation of the routes referred to in the Route Schedule.

2. Air service on a specified route may be inaugurated by the airline immediately or at a later date at the option of the Contracting Party to which the rights are granted after that Party has designated such airline to provide service on that route and the other Contracting Party has given the necessary permission. The said other Contracting Party is bound to give such permission provided that the designated airline qualifies before the competent aeronautical authorities of that Contracting Party in accordance with the laws and regulations normally applied by those authorities.

Article 4

Each Contracting Party reserves the right to withhold or revoke operating permission from an airline designated by the other Contracting Party in the event that it is not fully satisfied that substantial ownership and effective control of such airline are vested in nationals of the other Contracting Party in accordance with the laws of that Party, or in case of failure by such airline to comply with the laws and regulations referred to in this Agreement, or in case of failure by the airline or the Government designating it to fulfil the

conditions under which rights are granted in accordance with this Agreement, or in case of failure by the designated airline to fulfil the conditions pertaining to the permission granted.

Article 5

1. 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 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-mentioned Contracting Party.

2. The laws and regulations of one Contracting Party relating to the admission to, stay in and departure from its territory of passengers, crew, cargo and mail, such as regulations relating to entry, departure, clearance, immigration, customs and quarantine, shall apply to passengers, crew, cargo and mail carried by aircraft of the airline designated by the other Contracting Party upon entry into or departure from, and while within, the territory of the first-mentioned Contracting Party.

Article 6

Certificates of airworthiness, certificates of competency and licences 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 specified in this Agreement, provided that the requirements under which such certificates or licences were issued or rendered valid are equal to or above the minimum standards established pursuant to the Convention on International Civil Aviation. Each Contracting Party reserves the right to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licences granted to its own nationals by another State.

Article 7

1. Each Contracting Party may impose or permit to be imposed on aircraft of the other Party fair and reasonable charges for the use of public airports and other facilities under its authority. Both Contracting Parties agree, however, that such charges shall not be higher than those applied for the use of such airports and facilities by their national aircraft engaged in similar international services.

2. Lubricating oils, technical supplies for consumption, spare parts, tools, regular maintenance equipment and stores introduced into the territory of one Contracting Party by the other Contracting Party solely for use by aircraft of the latter Contracting Party shall be exempt, on the basis of reciprocity, from customs duties, inspection fees and other domestic taxes and charges.

3. Fuel, lubricating oils, other technical supplies for consumption, spare parts, regular equipment and stores retained on board aircraft of the designated airline of one Contracting Party shall be exempt on the basis of reciprocity, upon arriving in or leaving the territory of the other Contracting Party, from customs duties, inspection fees and other domestic taxes and charges even if such articles are used by such aircraft on flights within the said territory.

4. Fuel, lubricating oils, other technical supplies for consumption, spare parts, regular equipment and stores taken on board aircraft of the airlines of one Contracting Party on international service in the territory of the other Contracting Party shall be exempt, on the basis of reciprocity, from customs duties, inspection fees and other domestic taxes and charges.

Article 8

The Contracting Parties agree that the designated airlines shall be accorded fair and reasonable treatment so as to ensure an equal opportunity for the operation of agreed air services between the territories of the Contracting Parties.

Article 9

In the operation by the designated airline of either Contracting Party of the air services referred to in this Agreement, the interests of the airlines of the other Contracting Party shall be taken into consideration so as not to affect unduly the services provided by the latter.

Article 10

1. It is agreed that the services provided by an airline designated under this Agreement shall have as principal objective the provision of air transport with capacity adequate to the requirements of traffic between the two countries.

2. The services provided by airlines operating in accordance with this Agreement shall be closely related to the public demand for such services.

3. The right to take on or put down, in the operation of such services, international traffic to or from third countries at any point or points on the routes specified in the Route Schedule shall be exercised in accordance with the general principles of orderly development, which both Contracting Parties accept, and shall be subject to the general principle that air transport capacity must be related to:

(*a*) The requirements of traffic between the country of origin and the countries of destination;

(*b*) The requirements of through traffic; and

(*c*) The traffic requirements of the area through which the airline passes, after local and regional services have been taken into account.

4. The two Contracting Parties agree to recognize that fifth freedom traffic is complementary to traffic requirements on the routes between the territories of the Contracting Parties and is also subsidiary as regards the requirements of third and fourth freedom traffic between the territory of the other Contracting Party and a third country on the route.

5. With reference to the foregoing, both Contracting Parties recognize that the expansion of local and regional services constitutes a legitimate right of their respective countries. Consequently, they agree to consult each other periodically on the manner in which the rules set out in this article are to be applied by their designated airlines in order to ensure that their interests in the local and regional services, as well as in their continental services, will not be prejudiced.

6. Any change of gauge justified by reasons of economy of operation shall be permitted at any point on the specified routes. However, no change of gauge may be made in the territory of the other Contracting Party where it would alter the operating pattern of through traffic or would be incompatible with the principles set forth in this Agreement.

7. Before any increase is made in the capacity offered or the frequency of service on one of the specified routes, notice shall be given not less than fifteen (15) days in advance by the aeronautical authorities of the Contracting Party concerned to the aeronautical authorities of the other Contracting Party. Should the latter Party consider such an increase to be unjustified in view of the volume of traffic on the route or detrimental to the interests of the airline designated by it, it may, within fifteen (15) days, request consulta-

tion with the first-mentioned Contracting Party. Such consultation shall begin within thirty (30) days from the request, and the designated airlines shall be required to submit any information requested of them so as to facilitate a decision on the need or justification for the proposed increase. If no agreement is reached between the Contracting Parties within ninety (90) days from the date of the request for consultation, the question shall be submitted to arbitration in accordance with the provisions of article 13. In the meantime, the proposed increase may not be put into effect.

Article 11

1. The rates 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, such as cost of operation, reasonable profit, the characteristics of the service, and the rates of other airlines.

Subject to the provisions of paragraph 3 of this article, no rate shall come into force if the aeronautical authorities of either Contracting Party have not approved it.

2. The rates referred to in paragraph 1 of this article shall, if possible, be agreed upon by the airlines designated by the two Contracting Parties in consultation with other airlines operating over the whole or part of the route, and such agreement shall, in so far as possible, be reached through the rate-fixing machinery of IATA and shall be subject to approval by the aeronautical authorities of both Contracting Parties.

3. The rates so agreed, as well as the conditions governing their application and those governing any auxiliary arrangements connected with their application, shall be submitted for approval to the aeronautical authorities of the Contracting Parties at least forty-five (45) 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 rates, or if for some other reason a rate cannot be fixed in accordance with the provisions of paragraph 2 of this article, or if, during the first 15 days of the 45-day period referred to in paragraph 3 of this article, one Contracting Party gives the other Party notice of its dissatisfaction with any rate agreed in accordance with the provisions of paragraph 2 of this article, the aeronautical authorities of the Contracting Parties shall try to determine the rate by mutual agreement.

5. If the aeronautical authorities cannot agree on the approval of any rate submitted to them under paragraph 3 of this article or on the determination of any rate under paragraph 4, the dispute shall be settled in accordance with the provisions of article 13.

6. The rates established in accordance with the provisions of this article shall remain in force until new rates have been established in accordance with the provisions of this article.

Article 12

1. Either Contracting Party may at any time request the holding of consultations between the competent authorities of the two Contracting Parties for the purpose of discussing the interpretation, application or amendment of this Agreement. Such consultations shall begin within a period of sixty (60) days from the date on which a request therefor is received from the Ministry of Foreign Affairs of Sweden or from the Ministry of Foreign Affairs of the United Mexican States, as the case may be. If agreement is reached on an amendment to the Agreement, such agreement shall be formally confirmed by an exchange of diplomatic notes.

2. Amendments so approved shall enter into force provisionally as from the date of the exchange of notes and definitively on the date agreed upon by the Contracting Parties in a further exchange of notes, after they have obtained the necessary approval in accordance with their respective constitutional procedures.

Article 13

1. Save as otherwise provided in this Agreement, any dispute between the Contracting Parties relative to the interpretation or application of this Agreement which cannot be settled through consultation shall be submitted to an arbitral tribunal composed of three members, one to be named by each Contracting Party and the third to be named jointly by the first two members of the tribunal, provided that such third member shall not be a national of either Contracting Party.

2. Each contracting Party shall designate an arbitrator within sixty (60) days of the date of the delivery by either Contracting Party to the other Contracting Party of a diplomatic note requesting arbitration of a dispute; the third arbitrator shall be named within thirty (30) days after such period of sixty (60) days.

3. If the third arbitrator is not agreed upon within the time-limit specified, the post shall be filled by a person designated by the President of the Council of the International Civil Aviation Organization in accordance with the practice of that body.

4. The Contracting Parties undertake to comply with any decision rendered under this article. The arbitral tribunal shall decide upon the apportionment of the expenses entailed in this procedure.

Article 14

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

Article 15

If a general multilateral air transport convention, accepted by both Contracting Parties, enters into force, this Agreement shall be amended so as to conform with the provisions of such convention.

Article 16

Either Contracting Party may at any time notify the other Contracting Party of its intention to terminate this Agreement, in which case it shall be required to notify the International Civil Aviation Organization at the same time. The Agreement shall terminate six (6) months after the date of receipt of the notice of termination. If the other Contracting Party fails to acknowledge receipt, notice shall be deemed to have been received fourteen (14) days after receipt of such notice by the International Civil Aviation Organization.

Article 17

This Agreement shall be applied provisionally as from the date of its signature and shall enter into force definitively on the date specified in an exchange of diplomatic notes, which shall take place as soon as the Contracting Parties have obtained the necessary approval in accordance with their respective constitutional procedures.

Article 18

Unless one of the Parties gives notice of its intention to terminate it earlier under the provisions of article 16, this Agreement shall remain in force for a period of three years from the date of signature and may be renewed for successive three-year periods through the exchange of diplomatic notes.

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

DONE at Mexico City on 4 February 1970, in duplicate in the Swedish and Spanish languages, both texts being equally authentic.

For the Government of Sweden:	For the Government of the United Mexican States:
[*Signed*]	[*Signed*]
C.-H. NAUCKHOFF	ANTONIO CARRILLO FLORES
Ambassador	Minister of Foreign Affairs

ROUTE SCHEDULE

SECTION I

1. The airline designated by the Government of Mexico shall be entitled to operate the following route in both directions:

Points in Mexico – intermediate points – Stockholm.

2. The designated airline may, on one or all of its flights, omit one or more of the intermediate points referred to above.

3. Fifth freedom rights and stop-over rights to and from Stockholm may not be exercised on the above-mentioned route.

4. The two Contracting Parties agree that the airline designated by Mexico shall have complete freedom to carry traffic between any points outside the territory of Sweden on the route described in paragraph 1.

SECTION II

1. The airline designated by the Government of Sweden shall be entitled to operate the following route in both directions:

Points in Sweden – intermediate points – Mexico City.

2. The designated airline may, on one or all of its flights, omit one or more of the intermediate points referred to above.

3. Fifth freedom rights and stop-over rights to and from Mexico City may not be exercised on the above-mentioned route.

4. The two Contracting Parties agree that the airline designated by Sweden shall have complete freedom to carry traffic between any points outside the territory of Mexico on the route described in paragraph 1.