No. 11915

BRAZIL and URUGUAY

Air Transport Agreement (with annex, schedules and protocol of signature). Signed at Montevideo on 28 December 1956

Authentic texts : Portuguese and Spanish. Registered by Brazil on 18 August 1972.

BRÉSIL et URUGUAY

Accord relatif aux transports aériens (avec annexe, tableaux et protocole de signature). Signé à Montevideo le 28 décembre 1956

Textes authentiques : portugais et espagnol. Enregistré par le Brésil le 18 août 1972. [TRANSLATION — TRADUCTION]

AIR TRANSPORT AGREEMENT¹ BETWEEN THE UNITED STATES OF BRAZIL AND THE EASTERN REPUBLIC OF URUGUAY

The Government of the United States of Brazil and the Government of the Eastern Republic of Uruguay, considering :

- -That the steadily growing possibilities of commercial aviation are becoming increasingly important;
- ---That this means of transport, because of its essential characteristics, affording rapid communication, brings nations closer together;
- -That it is desirable to organize regular international air services in a safe and orderly manner, without prejudice to national and regional interests, taking into account the development of international co-operation in the field of air transport;
- ---That it is essential to draw up an agreement for the purpose of ensuring regular air communications between the two countries;

Have appointed for this purpose Plenipotentiaries, who, after exchanging their full powers, which were found to be in good and proper form, have agreed upon the following provisions :

Article I

(a) The Contracting Parties grant each other the rights specified in this Agreement and its annex in order that the regular international air services which are described therein and which are hereinafter referred to as " agreed services " may be established.

(b) Each of the Contracting Parties shall designate one or more airlines of its own nationality for the operation of the agreed services and shall determine the date of their inauguration.

Article II

(a) Each Contracting Party shall, subject to the provisions of paragraph (b) of this article and article VI, below, grant operating licences to the airlines designated by the other Contracting Party.

¹ Came into force on 8 February 1972, i.e. the thirtieth day after the exchange of instruments of ratification, which took place at Brasília on 10 January 1972, in accordance with article XIV.

(b) Before being authorized to inaugurate the agreed services, the designated airlines concerned may be required to satisfy the aeronautical authorities granting the operating licence¹ that they are qualified to fulfil the conditions prescribed under the laws and regulations normally applicable to them, in accordance with the provisions of the Convention on International Civil Aviation² with respect to the operation of international airlines.

Article III

In order to prevent discriminatory practices and to ensure that the principle of equality of treatment is observed :

(1) The charges and other fiscal duties which one of the Contracting Parties may impose or permit to be imposed on the designated airline or airlines of the other Contracting Party for the use of airports and other facilities shall not be higher than those which would be paid for the use of such airports and facilities by aircraft of its flag engaged in similar international services.

(2) Fuel, lubricating oils and spare parts introduced into the territory of one Contracting Party or taken on board aircraft of the other Contracting Party in that territory, whether directly by an airline designated by the latter Contracting Party or on behalf of such airline, and intended solely for use by its aircraft, shall enjoy the same treatment as that granted to national airlines or airlines of the most favoured nation which operate similar international services, with respect to customs duties and charges, inspection fees or other national duties and charges, and with respect to the manner in which they are paid.

(3) Aircraft of one of the Contracting Parties used in operating the agreed services and fuel, lubricating oils, spare parts, regular equipment and aircraft stores shall, while on board such aircraft, enjoy exemption from customs duties, inspection fees and similar duties or fees in the territory of the other Contracting Party, even if they are used by the aircraft on flights over that territory.

Article IV

Certificates of airworthiness and other documents relating to the aircraft, and licences and certificates issued or revalidated by one Contracting Party and still in force, shall be recognized as valid by the other Contracting Party for the

¹ The italicized words correspond to a text which appears in the Spanish authentic text only.

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.

purpose of operating the agreed services. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flight over its territory, licences and certificates granted to its nationals by the other Contracting Party or by a third State.

Article V

(1) The laws and regulations of one Contracting Party relating to the admission to, stops in 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 designated airline or airlines of the other Contracting Party.

(2) The laws and regulations of each Contracting Party relating to the admission to, stops in or departure from its territory of passengers, crews or cargo of aircraft, such as those relating to entry, clearance, immigration, passports, customs and quarantine, shall be applied to the passengers and cargo of aircraft operating the agreed services.

Article VI

Each Contracting Party reserves the right to withhold an operating licence from an airline designated by the other Contracting Party or to revoke such licence if it is not duly satisfied that substantial ownership and effective control of the airline in question are vested in nationals of the other Contracting Party, or in the case of failure by that airline to comply with the laws and regulations referred to in article V, above, or with the conditions under which the rights have been granted in accordance with this Agreement and its annex.

Article VII

If either of the Contracting Parties wishes to modify the terms of the annex to this Agreement or to exercise the right referred to in article VI, it shall request consultation with the aeronautical authorities of the other Contracting Party, such consultation to commence within a period of sixty (60) days from the date of the request.

When the said authorities agree to modify the annex, such modifications shall enter into force after they have been confirmed by an exchange of notes through the diplomatic channel.

Article VIII

(1) The aeronautical authorities of the two Contracting Parties shall, by mutual agreement and on the basis of reciprocity, resolve any matters relating to the execution of this Agreement, its annex and route schedules and shall consult each other from time to time in order to ensure satisfactory application and execution of its principles and aims.

(2) Any disputes between the Contracting Parties relative to the interpretation or application of this Agreement and its annex which cannot be settled through consultation shall be referred to an arbitration board or agency, at the option of the Contracting Parties.

Article IX

Either of the Contracting Parties may at any time notify the other of its decision to denounce this Agreement. The notification shall at the same time be communicated to the International Civil Aviation Organization. Once the notification has been sent, this Agreement shall cease to have effect six (6) months after its receipt by the other Contracting Party, unless it has been withdrawn by mutual agreement prior to the expiry of that period. If no acknowledgement of receipt is made by the Contracting Party to which the notification was sent, it shall be deemed to have been received fourteen (14) days after its receipt by the International Civil Aviation Organization.

Article X

In the event of the entry into force of a multilateral air transport convention which is ratified by the two Contracting Parties or acceded to by both, this Agreement and its annex shall be revised so as to bring their provisions into line with those of the convention in question.

Article XI

This Agreement replaces any licence, privilege or concession existing at the time of its entry into force and granted for any reason by one of the Contracting Parties to airlines of the other Contracting Party.

Article XII

This Agreement and all documents relating to it shall be registered with the International Civil Aviation Organization set up by the Convention on International Civil Aviation, concluded at Chicago on 7 December 1944.

Article XIII

For the purpose of implementation of this Agreement and its annex :

(a) The term "aeronautical authorities" shall mean, in the case of the United States of Brazil, the Ministry of Air and, in the case of the Eastern Republic of Uruguay, the Minister of National Defence, or, in either case, any person or body authorized to fulfil the functions at present performed by them;

(b) The term "territory" shall have the meaning assigned to it by article 2 of the Convention on International Civil Aviation, referred to in article XII of this Agreement;

(c) The term "designated airline" shall mean any airline selected by one of the Contracting Parties to operate the agreed services on one or more of the specified routes and in respect of which a written communication has been transmitted to the competent aeronautical authorities of the other Contracting Party, in accordance with the provisions of article II of this Agreement;

(d) The definitions set forth in article 96 (a), (b) and (d) of the Convention on International Civil Aviation mentioned above shall apply to this Agreement;

(e) The term "traffic requirements" shall mean the demand for passenger, cargo and/or mail traffic, expressed in metric ton kilometres, between the terminal points of the agreed services;

(f) The term "aircraft capacity" shall mean the pay-load intended for commercial purposes;

(g) The term "transport capacity provided " shall mean the total capacity of the aircraft used on each of the agreed services, at a reasonable load factor, multiplied by the frequency with which they operate during a specified period;

(h) The term "air route" shall mean the established itinerary followed by an aircraft operating a scheduled service for the public transport of passengers, cargo and/or mail;

(i) Brazilian-Uruguayan traffic shall be taken to mean traffic originating in Brazilian territory and actually bound for Uruguayan territory and traffic originating in Uruguayan territory and actually bound for Brazilian territory, whether transported by national airlines of either country or by airlines of other nationalities;

(j) The term "scheduled international air services" shall mean the international service operated, with uniform frequency, by designated airlines

in accordance with pre-established routes and time-tables approved by the Governments concerned.

Article XIV

This Agreement shall be ratified or approved, as appropriate, in accordance with the constitutional provisions of each Contracting Party, and shall enter into force on the thirtieth day after the exchange of instruments of ratification, which shall take place as soon as possible.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have concluded and signed this Agreement and have thereto affixed their seals :

For the Government of the United States of Brazil, His Excellency Ambassador José Carlos de Macedo Soares, Minister of State for Foreign Affairs; and

For the Government of the Eastern Republic of Uruguay, His Excellency Dr. Francisco Gamarra, Minister of State in the Department of Foreign Affairs.

DONE at Montevideo, capital of the Eastern Republic of Uruguay, on the twenty-eighth day of December nineteen hundred and fifty-six, in duplicate in the Spanish and Portuguese languages, both texts being equally authentic.

J. C. DE MACEDO SOARES

F. GAMARRA

ANNEX

I

The Government of the United States of Brazil grants the Government of the Eastern Republic of Uruguay the right to operate air transport services to be provided by one or more airlines designated by the latter Government between the territories of Uruguay and Brazil or across their territories on the routes specified in schedule I of this annex, without engaging in cabotage in Brazilian territory.

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The Government of the Eastern Republic of Uruguay grants the Government of the United States of Brazil the right to operate air transport services to be provided by one or more airlines designated by the latter Government between the territories of Brazil and Uruguay or across their territories on the routes specified in schedule II of this annex, without engaging in cabotage in Uruguayan territory.

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(a) The airline or airlines designated by the Contracting Parties in accordance with the terms of the Agreement and this annex shall enjoy in the territory of the other Contracting Party on each of the specified routes the right of transit and of stops for non-traffic purposes at airports open to international traffic, as well as the right to pick up and set down international traffic in passengers, cargo and mail at the points enumerated on the specified routes.

(b) The implementation of the foregoing provisions shall be subject to the regulative conditions laid down in section IV.

IV

(a) The transport capacity afforded by the designated airlines shall be closely related to traffic requirements.

(b) The airlines designated by the two Contracting Parties shall be ensured fair and equitable treatment so that they may enjoy equal opportunity in the operation of the agreed services.

(c) The designated airlines shall take into consideration their mutual interests when operating common routes or portions of routes, so as not to affect unduly the services in question.

(d) The agreed services shall have as their primary objective the provision of capacity adequate to the traffic requirements between the country to which the airline belongs and the country for which the traffic is bound.

(e) The right of a designated airline to pick up and set down, at the specified points and on the specified routes, international traffic bound for or originating in third countries, shall be exercised in accordance with the general principles of the orderly operation of air transport accepted by both Contracting Parties, with a view to adapting the capacity to:

(1) traffic requirements between the country of origin and the countries of destination;

- (2) the requirements of the economic operation of the services in question, and
- (3) traffic requirements in the area over which these services pass, with due consideration for the interests of local and regional services.

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The aeronautical authorities of the Contracting Parties shall consult each other at the request of one of them in order to ascertain whether the principles enunciated in Section IV above are being observed by the airlines designated by the Contracting Parties, and, in particular, to prevent any one of the designated airlines from obtaining more than its fair share of the traffic. Due account shall be taken of the traffic statistics, which the Contracting Parties undertake to exchange periodically.

VI

(a) The rates shall be fixed at reasonable levels, due regard being paid to all important factors, particularly the cost of operation, reasonable profits, the rates charged by other airlines and the characteristics of each service, such as speed and comfort.

(b) The rates to be charged by the designated airlines of each of the Contracting Parties between points in Brazilian territory and points in Uruguayan territory mentioned in the attached Schedules shall be submitted for approval to the aeronautical authorities of each of the Contracting Parties at least thirty days prior to the anticipated date of entry into force; this period may be reduced in special cases, if so agreed by the aeronautical authorities.

(c) The recommendations of the International Air Transport Association (IATA) shall be taken into account in fixing rates.

(d) If the Association fails to make recommendations, the Brazilian and Uruguayan airlines shall agree on the rates for passengers and cargo to be charged on the common portions of their routes, after consultation, if necessary, with airlines in third countries operating all or part of the same routes.

(e) Should the airlines be unable to reach agreement on the rates to be charged, the competent aeronautical authorities of the two Contracting Parties shall try to promote such agreement, failing which they shall endeavour to arrive at a satisfactory solution between themselves. In the last resort, the procedure to be followed shall comply with the provisions of article VIII of this Agreement.

VII

Changes in points on the air routes specified in the attached Schedules, except those which change the points served in the territory of the other Contracting Party, shall not be considered as modifications of the annex. The aeronautical authorities of either Contracting Party may therefore proceed unilaterally to make such changes, provided the aeronautical authorities of the other Contracting Party are given notice thereof without delay. If these authorities find that, having regard to the principles set forth in section IV of this annex, the interests of their national airlines are prejudiced by the airlines of the other Contracting Party, in that traffic between their own territory and the new stop in a third country has already been established, the aeronautical authorities of the two Contracting Parties shall consult with a view to arriving at a satisfactory agreement.

VIII

After the entry into force of this Agreement, the aeronautical authorities of the two Contracting Parties shall, as soon as possible, transmit to each other information No. 11915

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on the authorizations granted to their respective airlines designated to operate all or part of the agreed services. This exchange of information shall include in particular copies of the authorizations granted, together with any amendments thereto.

SCHEDULE 1

URUGUAYAN ROUTES TO BRAZIL AND CROSSING BRAZILIAN TERRITORY

- A. Uruguayan routes to Brazilian territory :
 - I. From Montevideo to Rio de Janeiro, via Pôrto Alegre, Curitiba and São Paulo, in both directions;
 - II. From Montevideo to Pôrto Alegre, in both directions;
 - III. From Montevideo to Pelotas, via Treinta y Tres and Jaguarão, in both directions;
 - IV. From Montevideo to Bagé, via Melo, in both directions;
 - V. From Montevideo to Bagé, via Rivera, in both directions.
- B. Uruguayan routes crossing Brazilian territory :
 - I. From Montevideo to Rio de Janeiro (by the coastal route), Recife and beyond to third countries in Africa and in Europe, over reasonably direct routes, in both directions;
 - II. From Montevideo to Rio de Janeiro (by the coastal route), Belém (via Barreiras) and beyond to third countries in the northern part of South America, the Caribbean and North America, over reasonably direct routes, in both directions;
 - III. From Montevideo, via Uruguaiana and Asunción to Corumbá, and from there to third countries, over reasonably direct routes, in both directions.

SCHEDULE II

BRAZILIAN ROUTES TO URUGUAY AND CROSSING URUGUAYAN TERRITORY

- A. Brazilian routes to Uruguayan territory :
 - I. From Rio de Janeiro to Montevideo, via São Paulo and Pôrto Alegre, in both directions;
 - II. From Pôrto Alegre to Montevideo, in both directions;
 - III. From Pelotas to Montevideo, via Jaguarão and Treinta y Tres, in both directions;
 - IV. From Pôrto Alegre to Melo, via Bagé, in both directions;
 - V. From Pôrto Alegre to Melo, via Santana do Livramento, in both directions.
- B. Brazilian routes crossing Uruguayan territory :
 - I. From Rio de Janeiro to Montevideo (by the coastal route) and from there to Buenos Aires and beyond, over reasonably direct routes in both directions;

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- II. From Rio de Janeiro to Buenos Aires and beyond, with possible technical stop at Montevideo, in both directions;
- III. From Rio de Janeiro, via Asunción and Uruguaiana, to Montevideo and from there to Buenos Aires and beyond, over reasonably direct routes, in both directions.

PROTOCOL OF SIGNATURE

In the course of the negotiations which culminated in the signing on today's date of the Air Transport Agreement between the United States of Brazil and the Eastern Republic of Uruguay, the representatives of the two Contracting Parties expressed their agreement on the following points :

(1) The customs, police, immigration and health authorities of the two Contracting Parties shall apply the provisions laid down in article III and V of the Agreement in the simplest and speediest manner possible with a view to preventing any delay in the movement of the aircraft operating the agreed services. This consideration shall be taken into account in the application and formulation of the relevant regulations.

(2) Since it is the wish of both Contracting Parties that their commercial airlines, in addition to belonging wholly to them, should use aircraft operated by crews composed of their own nationals, the right recognized in article VI of this Agreement to withhold or revoke the authorization of an airline designated by one of the Contracting Parties may be exercised by the other Contracting Party in the event that the crews of the aircraft of the first Contracting Party include flight personnel who are not of its nationality. The inclusion in crews of personnel who are nationals of third countries shall be permitted provided their inclusion is for the purpose of instruction and training of flight personnel. However, each Contracting Party undertakes to exclude, at the request of the other Contracting Party, any member of a crew of a designated aircraft whose presence in the territory of the other Contracting Party is not considered desirable.

(3) The remittance of funds received by the designated airlines of the Contracting Parties shall be effected in accordance with the exchange regulations of the two Contracting Parties, which shall grant ample facilities for transfers in respect of such operations.

(4) I. Bearing in mind the provisions of article XI of this Agreement and with a view to preventing the interruption of service on already established routes pending implementation of the provisions of article XIV of this Agreement, provisional authorization shall be granted in respect of the following routes currently served by the airlines indicated :

- (a) "Pluna, Ente Autónomo del Estado", to provide service on the routes Montevideo – São Paulo – Rio de Janeiro and Montevideo – Santa Cruz de la Sierra, via Asunción and Corumbá;
- (b) "S.A. Emprêsa de Viação Aérea Rio Grandense, Varig", to provide service on the Pôrto Alegre Montevideo route;

- (c) "Serviços Aéreos Cruzeiro do Sul S.A.", "Emprêsa de Transporte Aerovias Brasil", "Panair do Brasil S.A." and "S.A. Emprêsa de Viação Aérea Rio Grandense—Varig", to provide service on their routes from Brazil to Buenos Aires across Uruguayan territory, with a possible stop in Montevideo;
- (d) "Real S.A. Transportes Aéreos", to provide service on the Rio de Janeiro Asunción – Uruguaiana – Montevideo route.

II. Similarly, if either of the Contracting Parties wishes to inaugurate the operation of new services on the routes specified in the respective schedules before the above provisions have been implemented, the aeronautical authorities of the Contracting Party concerned shall notify the aeronautical authorities of the other Contracting Party sixty (60) days before the inauguration of the new service, which shall be considered to have provisional authorization.

(5) The postal administrations of the two Contracting Parties shall reach agreement on postal transport by air, within the framework of existing regulations laid down by international postal unions or in accordance with the provisions of bilateral agreements, if any, between either of the Contracting Parties and third States, provided that they do not entail discriminatory treatment.

(6) IN WITNESS WHEREOF, the undersigned Plenipotentiaries have concluded and signed this Protocol and have thereto affixed their seals :

- For the Government of the United States of Brazil, His Excellency Ambassador José Carlos de Macedo Soares, Minister of State for Foreign Affairs; and
- For the Government of the Eastern Republic of Uruguay, His Excellency Dr. Francisco Gamarra, Minister of State in the Department of Foreign Affairs.

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