No. 12436

CANADA
and
ITALY

Exchange of notes constituting an agreement to amend the Agreement for Air Services as specified in the agreed minute of April 28, 1972 (with agreed minute dated at Ottawa on 28 April 1972 and consolidated version of the original Agreement signed at Rome on 2 February 1960 as modified). Toronto, 28 August 1972

Authentic texts of the notes: English, French and Italian.

Authentic text of agreed minute: English.

Authentic texts of consolidated version of the original Agreement: English, French and Italian.

Registered by the International Civil Aviation Organization on 19 April 1973.

CANADA
et
ITALIE

Échange de notes constituant un accord qui modifie l'Accord sur les services aériens selon les dispositions du protocole du 28 avril 1972 (avec protocole d'accord en date à Ottawa du 28 avril 1972 et version unifiée de l'Accord original signé à Rome le 2 février 1960 tel que modifié). Toronto, 28 août 1972

Textes authentiques des notes : anglais, français et italien.

Texte authentique du protocole d'accord : anglais.

Textes authentiques de la version unifiée de l'Accord original : anglais, français, et italien.

Enregistré par l'Organisation de l'aviation civile internationale le 19 avril 1973.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT[1] BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE REPUBLIC OF ITALY TO AMEND THE AGREEMENT FOR AIR SERVICES AS SPECIFIED IN THE AGREED MINUTE OF APRIL 28, 1972

I

DEPARTMENT OF EXTERNAL AFFAIRS MINISTÈRE DES AFFAIRES EXTÉRIEURES

CANADA

Toronto, August 28, 1972

No. ECT-837

Sir,

I have the honour to refer to the Agreement between Canada and Italy for Air Services between and beyond their respective territories which entered into force on April 13, 1962, (hereafter referred to as "the Agreement") and to the discussions which took place between the representatives of our two Governments in Ottawa from April 24 to 28, 1972, concerning amendments to the Agreement.

As a result of the discussions, agreement was reached by the representatives of the two Governments regarding the amendments to the Agreement. The texts of the agreed amendments were incorporated in an agreed minute of April 28, 1972, of which a copy of the signed original is attached as an appendix to this note together with a consolidated text of the Agreement in English and French incorporating the amendments contained in the agreed minute.

In accordance with article IX of the Agreement and pursuant to paragraphs 4 and 5 of the agreed minute of April 28, 1972, I have the honour to propose that this note, which is authentic in English and French, and your affirmative reply, which will be authentic in Italian, shall constitute an agreement between our two Governments to amend the Agreement as specified in the agreed minute of April 28, 1972, and shall hereby authenticate the attached English and French versions of the consolidated text of the Agreement as amended as well as the Italian version of the consolidated text of the Agreement as amended, which will be attached to your reply.

Accept, Sir, the assurances of my highest consideration.

MITCHELL SHARP

Secretary of State for External Affairs

Marquis Fabrizio Rossi Longhi
Chargé d'Affaires ad interim
Embassy of Italy
Ottawa

[1] Came into force on 28 August 1972 by the exchange of the said notes.

AGREED MINUTE

Delegations representing Italy and Canada met in Ottawa from April 24 to 28 to discuss the Agreement between Canada and Italy for Air Services between and beyond their respective territories, signed at Rome on February 2, 1960, and reached agreement on the following:

1. The Agreement shall be amended as follows:

(*a*) Article 1, subparagraph (*b*)—delete and substitute the following:

"(*b*) the term 'aeronautical authorities' means, in the case of Italy the 'Ministero dei Trasporti e dell'Aviazione Civile—Direzione Generale dell'Aviazione Civile' and in the case of the Government of Canada, the Minister of Transport and the Canadian Transport Commission, or, in both cases, any other authority or person empowered to perform the functions now exercised by the said Authorities;"

(*b*) Article III, paragraph 6—amend "provisions of article VI" to read "provisions of article VII"

(*c*) After article III, add a new article IV to read:

"1. 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 agreed services on the routes specified in this Agreement, provided that such certificates and licences were issued or rendered valid pursuant to and in conformity with the standards established under the Convention. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party.

2. If the privileges or conditions of the licences or certificates referred to in paragraph 1 above, issued by the aeronautical authorities of one Contracting Party to any person or designated airline operating the agreed services on the routes specified in this Agreement, should permit a difference from the standards established under the Convention, and which difference has been filed with the International Civil Aviation Organization, the aeronautical authorities of the other Contracting Party may request consultations with the aeronautical authorities of that Contracting Party with a view to satisfying themselves that the practice in question is acceptable to them. Failure to reach a satisfactory agreement in matters regarding flight safety will constitute grounds for the application of article III (7); in other cases article IX applies."

(*d*) Article V, paragraph 4—delete and substitute the following:

"4. Provision for the carriage of passengers, cargo and mail both taken up and put down at points on the specified routes in the territories of States other than that designating the airline shall be made in accordance with the general principle that capacity shall be related to:

a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;

b) traffic requirements of the area through which the airline passes after taking account of other transport services established by airlines of the States comprising the area; and

c) the requirements of through airline operation."

(*e*) Article VI—delete paragraphs 2, 3, 4, 5 and 6 and substitute the following:

"2. The tariffs referred to in paragraph 1 of this article shall be agreed upon between the designated airlines of the Contracting Parties; such agreement shall be reached, whenever possible, through the rate-fixing procedures of the International Air Transport Association.

3. The tariffs so agreed shall be submitted to the aeronautical authorities of the Contracting Parties at least forty-five (45) days before the proposed date of their introduction; in special cases, a shorter period may be accepted by the aeronautical authorities. If within thirty (30) days from the date of submission the aeronautical authorities of one Contracting Party have not notified the aeronautical authorities of the other Contracting Party that they are dissatisfied with the tariff submitted to them, such tariff shall be considered to be acceptable and shall come into effect on the expiration of the forty-five (45) day period mentioned above. In the event that a shorter period for the submission of a tariff is accepted by the aeronautical authorities, they may also agree that the period for giving notice of dissatisfaction be less than thirty (30) days.

4. If a tariff cannot be established in accordance with the provisions of paragraph 2 above, or, if during the period applicable in accordance with paragraph 3 above a notice of dissatisfaction has been given, the aeronautical authorities of the Contracting Parties shall endeavour to determine the tariff by agreement between themselves.

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

6. (*a*) No tariff shall come into force if the aeronautical authorities of either Contracting Party are dissatisfied with it except under the provisions of paragraph 3 of article IX of the present Agreement.

(*b*) When tariffs have been established in accordance with the provisions of this article, those tariffs shall remain in force until new tariffs have been established in accordance with the provisions of this article."

(*f*) After article VIII, add a new article X to read:

"Each Contracting Party grants to the airlines of the other Contracting Party the right of free transfer, in conformity with the OECD's Code of Liberalization of Current Invisible Operations, signed by both Contracting Parties, of funds obtained by each in the normal course of its operations. Such transfers shall be effected on the basis of the foreign exchange market rates for current payments prevailing at the time of the transfer and shall not be subject to any charges except those normally collected by banks for such transactions."

(*g*) Article IX, paragraph 2— delete and substitute the following:

"2. If either Contracting Party considers it desirable to make any modification to the schedule of the present Agreement, such modification may be the subject of consultations between the aeronautical authorities of the Contracting Parties and, if agreed between the Contracting Parties, shall come into effect when confirmed by an exchange of notes."

(*h*) Article XI—delete and substitute the following:

"The present Agreement and any amendment thereto shall be registered with the International Civil Aviation Organization (ICAO). The Government of Canada undertakes to make the necessary registration arrangements."

(*i*) Article XII, paragraph 1—delete words "and the Appendix" where they appear.

(*j*) Renumber articles IV, V, VI, VII, VIII, IX, X, XI and XII to read, respectively, articles V, VI, VII, VIII, IX, XI, XII, XIII and XIV.

2. The route schedule attached to the Agreement shall be revised to read as follows:

ROUTE SCHEDULE

SECTION I

Routes to be operated in both directions by the designated airline or airlines of Canada:

1. Canada to Rome direct or via intermediate points in Europe to be named by Canada and beyond Rome direct or via one or more of the following points: Amman, Ankara, Athens, Baghdad, Beirut, Damascus, Istanbul, Nicosia, Teheran, Tel Aviv and/or via one of four points to be named by Canada to Bangkok (or another point in South East Asia to be named by Canada), and one point beyond to be named by Canada (excluding Australia) and beyond to Canada.

2. Canada to Milan direct or via intermediate points in Europe to be named by Canada and beyond Milan to: (*a*) points in Yugoslavia to be named by Canada; (*b*) one of the following points: Algiers, Cairo, Khartoum, Tunis.

NOTES: (*a*) On routes 1 and 2, a total of five intermediate points in Europe to be named by Canada for each IATA season. The four points between Teheran and Bangkok shall also be named by Canada for each IATA season.

(*b*) Not more than one airline shall be entitled to operate on each of the air routes. If the Canadian Government should designate one carrier to serve Italy, Rome and Milan may be served as co-terminals. However, the Fifth Freedom rights beyond Italy provided in the Agreement shall on any one flight be exercised only from Rome or from Milan.

SECTION II

Routes to be operated in both directions by the designated airline or airlines of Italy:

1. Italy to Montreal direct and beyond Montreal to Chicago, Los Angeles, Mexico City and a point beyond Los Angeles to be named by Italy.
2. Italy to Montreal and/or Toronto.

NOTE: Not more than one airline shall be entitled to operate on each of the air routes. If the Italian Government should designate one carrier to serve Canada, the designated airline of Italy may serve Toronto as co-terminal with Montreal on route 1 but without Fifth Freedom traffic rights to and from Toronto.

It is understood that the airline or airlines designated by both Contracting Parties shall be entitled to extend stopover privileges in the Canadian and Italian territories for traffic originating in or destined for third countries.

It is also understood that the airline or airlines designated by each Contracting Party shall enjoy the privileges of carrying into and out of the territory of the other Contracting Party intransit traffic originating in or destined for points in third countries.

3. The appendix to the Agreement shall be deleted.

4. A French language text of the Agreement, as amended, shall be prepared and given equal authenticity with the English and Italian texts.

5. This agreed minute shall be submitted for the approval of the Government of Canada and the Government of Italy and shall be given effect by an agreement between the two Governments in the form of an exchange of notes.

DONE at Ottawa this 28th day of April, 1972, in duplicate.

[Signed]	*[Signed]*
J. C. LANGLEY Head, Canadian Delegation	General F. SANTINI Head, Italian Delegation

CONSOLIDATED ENGLISH-LANGUAGE TEXT OF THE AGREEMENT ON AIR SERVICES BETWEEN CANADA AND ITALY SIGNED IN ROME ON FEBRUARY 2, 1960, INCORPORATING THE AMENDMENTS AGREED IN THE EXCHANGE OF NOTES EFFECTED IN TORONTO ON AUGUST 28, 1972

AGREEMENT BETWEEN CANADA AND ITALY FOR AIR SERVICES BETWEEN AND BEYOND THEIR RESPECTIVE TERRITORIES

The Government of Canada and the Government of Italy (hereinafter referred to as the "Contracting Parties") having ratified the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944,[1] and desiring to conclude an agreement for the purpose of establishing air services between and beyond their respective territories, have agreed as follows:

Article I. For the purpose of this Agreement, unless the context otherwise requires:

(*a*) The term "the Convention" means the Convention on International Civil Aviation opened for signature at Chicago on 7th December 1944, and includes any annex adopted under article 90 of that Convention and any amendment of the annexes or Convention under articles 90 and 94 thereof;

(*b*) The term "aeronautical authorities" means, in the case of Italy the "Ministero dei Transporti e dell'Aviazione Civile—Direzione Generale dell'Aviazione Civile" and in the case of the Government of Canada, the Minister of Transport and the Canadian Transport Commission, or, in both cases, any other authority or person empowered to perform the functions now exercised by the said Authorities;

(*c*) The term "designated airline" means an airline which one Contracting Party shall have designated, by written notification to the other Contracting Party, in accordance with article III of the present Agreement, for the operation of air services on the routes specified in such notification;

(*d*) The terms "territory", "air service", "international air service" and "stop for non-traffic purposes" have the meanings respectively assigned to them in articles 2 and 96 of the Convention.

Article II. 1. Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement for the purpose of establishing and operating air services on the routes specified in the appropriate Section of the Schedule thereto (hereinafter called "the agreed services" and the "specified routes").

2. Subject to the provisions of the present Agreement, the airlines designated by each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following privileges:

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

[1] 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.

(*b*) to land in the territory of the other Contracting Party for non-traffic purposes;

(*c*) to make stops in the territory of the other Contracting Party at the points specified for those routes in the schedule for purposes of putting down and taking on international traffic in passengers, cargo and mail coming from or destined for other points so specified;

(*d*) to omit on any or all flights any one or more of the intermediate and beyond points.

3. Nothing in paragraph 2 of this article shall be deemed to confer on the airline or airlines of one Contracting Party the privileges of taking up, in the territory of the other Contracting Party, passengers, cargo and/or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

Article III. 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 notification of the designation and subject to the provisions of paragraphs 4 and 5 of this article, the other Contracting Party shall grant without delay to the airline or airlines designated the appropriate operating authorization.

3. Each Contracting Party shall have the right, by written notification to the other Contracting Party, to withdraw the designation of an airline and to designate another airline.

4. 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 by them in conformity with the provisions of the Convention to the operation of international commercial air services.

5. Each Contracting Party shall have the right to refuse to accept the designation of an airline and to withhold or revoke the grant to an airline of the privileges specified in paragraph 2 of article II of the present Agreement or to impose such conditions as it may deem necessary on the exercise by an airline of those privileges 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 the Contracting Party designating the airline.

6. At any time after the provisions of paragraphs 1 and 2 of this article have been complied with, an airline so designated and authorized may begin to operate the agreed services provided that a service shall not be operated unless a tariff established in accordance with the provisions of article VII of the present Agreement is in force in respect of that service.

7. Each Contracting Party shall have the right to suspend the exercise by an airline of the privileges specified in paragraph 2 of article II of the present Agreement or to impose such conditions as it may deem necessary on the exercise by an airline of those privileges in any case where the airline fails to comply with the laws or regulations of the Contracting Party granting those privileges or otherwise fails to operate in accordance with the conditions prescribed in the present Agreement; provided that, unless immediate suspension or imposition of conditions is essential to prevent further infringements of laws or regulations, this right shall be exercised only after consultation with the other Contracting Party.

Article IV. 1. 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 agreed services on the routes specified in this Agreement, provided that such certificates and licences were issued or rendered valid pursuant

to and in conformity with the standards established under the Convention. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party.

2. If the privileges or conditions of the licences or certificates referred to in paragraph 1 above, issued by the aeronautical authorities of one Contracting Party to any person or designated airline operating the agreed services on the routes specified in this Agreement, should permit a difference from the standards established under the Convention, and which difference has been filed with the International Civil Aviation Organization, the aeronautical authorities of the other Contracting Party may request consultations with the aeronautical authorities of that Contracting Party with a view to satisfying themselves that the practice in question is acceptable to them. Failure to reach a satisfactory agreement in matters regarding flight safety will constitute grounds for the application of article III (7); in other cases article IX applies.

Article V. 1. Fuels, lubricating oils, spare parts and normal aircraft equipment introduced into the territory of a Contracting Party or taken on board aircraft of the airlines designated by the other Contracting Party which are in the said territory, for the exclusive use of aircraft of the same airlines operating the agreed air services, are exempt from Customs duties and other fiscal charges, subject to the Customs regulations of the second Contracting Party.

2. The aircraft of the designated airline engaged in the agreed services in flights from, to or across the territory of a Contracting Party, are admitted into the territory of the other Contracting Party temporarily free from customs duties, inspection fees and other similar charges.

3. Fuel, lubricating oils, aircraft stores, spare parts and normal equipment retained on board aircraft of the designated airlines of a Contracting Party, authorized to operate the agreed services, are on the territory of the other Contracting Party exempt from Customs duties and other similar charges, even when they are used or consumed during flights over the said territory.

4. Fuel, lubricating oils, spare parts, aircraft stores and normal equipment which are exempt from any duties and charges under the provisions of the above paragraphs cannot be unloaded without the permission of the Customs authorities of the other Contracting Party.

When they cannot be employed they shall be reexported. Waiting for their use or re-exportation, they shall be kept under the supervision of the Customs authorities.

Article VI. 1. There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate the agreed services on the specified routes between and beyond their respective territories.

2. In operating the agreed services, the airlines of each Contracting Party shall take into account the interests of the airlines of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same route.

3. The agreed services provided by the designated airlines of the Contracting Party shall bear reasonable relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objectives the provisions, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail between the territories of the Contracting Parties.

4. Provision for the carriage of passengers, cargo and mail both taken up and put down at points on the specified routes in the territories of States other than that designating the airline shall be made in accordance with the general principle that capacity shall be related to:

(*a*) traffic requirements to and from the territory of the Contracting Party which has designated the airline;

(*b*) traffic requirements of the area through which the airline passes after taking account of other transport services established by airlines of the States comprising the area; and

(*c*) the requirements of through airline operation.

5. Before inauguration of the agreed services and for the subsequent changes of capacity, the aeronautical authorities of the Contracting Parties shall agree to the practical application of the principles contained in the previous paragraphs of this article regarding the operation of the agreed services by the designated airlines.

Article VII. 1. The tariffs on any agreed service shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service (such as standards of speed and accommodation) and, where it is deemed suitable, the tariffs of other airlines for any part of the specified route. These tariffs shall be fixed in accordance with the following provisions of this article.

2. The tariffs referred to in paragraph 1 of this article shall be agreed upon between the designated airlines of the Contracting Parties; such agreement shall be reached, whenever possible, through the rate-fixing procedures of the International Air Transport Association.

3. The tariffs so agreed shall be submitted to the aeronautical authorities of the Contracting Parties at least forty-five (45) days before the proposed date of their introduction; in special cases, a shorter period may be accepted by the aeronautical authorities. If within thirty (30) days from the date of submission the aeronautical authorities of one Contracting Party have not notified the aeronautical authorities of the other Contracting Party that they are dissatisfied with the tariff submitted to them, such tariff shall be considered to be acceptable and shall come into effect on the expiration of the forty-five (45) day period mentioned above. In the event that a shorter period for the submission of a tariff is accepted by the aeronautical authorities, they may also agree that the period for giving notice of dissatisfaction be less than thirty (30) days.

4. If a tariff cannot be established in accordance with the provisions of paragraph 2 above, or, if during the period applicable in accordance with paragraph 3 above a notice of dissatisfaction has been given, the aeronautical authorities of the Contracting Parties shall endeavour to determine the tariff by agreement between themselves.

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

6. (*a*) No tariff shall come into force if the aeronautical authorities of either Contracting Party are dissatisfied with it except under the provisions of paragraph 3 of article IX of the present Agreement.

(*b*) When tariffs have been established in accordance with the provisions of this article, those tariffs shall remain in force until new tariffs have been established in accordance with the provisions of this article.

Article VIII. The aeronautical authorities of either Contracting Party shall supply to the aeronautical authorities of the other Contracting Party, at their request, such periodic or other statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airlines of the first Contracting Party. Such statements shall include all information required to determine the amount of traffic carried by those airlines on the agreed services and the origins and destinations of such traffic.

Article IX. 1. If any dispute arises between the Contracting Parties relating to the interpretation or application of the present Agreement, the Contracting Parties shall in the first place endeavour to settle it by negotiation between themselves.

2. If the Contracting Parties fail to reach a settlement by negotiation,

(*a*) they may agree to refer the dispute for decision to an arbitral tribunal appointed by agreement between them or to some other person or body; or

(*b*) if they do not so agree or if, having agreed to refer the dispute to an arbitral tribunal, they cannot reach agreement as to its composition, either Contracting Party may submit the dispute for decision to any tribunal competent to decide it which may hereafter be established within the International Civil Aviation Organization (ICAO) or, if there is no such tribunal, to the Council of the said Organization.

3. The Contracting Parties undertake to comply with any decision given under paragraph 2 of this article.

4. If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with a decision given under paragraph 2 of this article, the other Contracting Party may limit, withhold or revoke any rights or privileges which it has granted by virtue of the present Agreement to the Contracting Party in default or to the designated airline or airlines of that Contracting Party or to the designated airline in default.

Article X. Each Contracting Party grants to the airlines of the other Contracting Party the right of free transfer, in conformity with the OECD's Code of Liberalization of Current Invisible Operations, signed by both Contracting Parties, of funds obtained by each in the normal course of its operations. Such transfers shall be effected on the basis of the foreign exchange market rates for current payments prevailing at the time of the transfer and shall not be subject to any charges except those normally collected by banks for such transactions.

Article XI. 1. If either of the Contracting Parties considers it desirable to modify any provision of the present Agreement, such modification, if agreed between the Contracting Parties, shall come into effect when confirmed by an exchange of notes.

2. If either Contracting Party considers it desirable to make any modification to the schedule of the present Agreement, such modification may be the subject of consultations between the aeronautical authorities of the Contracting Parties and, if agreed between the Contracting Parties, shall come into effect when confirmed by an exchange of notes.

3. In the event of the conclusion of any general multilateral convention concerning air transport by which both Contracting Parties become bound, the present Agreement shall be amended so as to conform with the provisions of such convention.

Article XII. Either Contracting Party may at any time give notice to the other if it desires to terminate the present Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization (ICAO). If such notice is given, the present Agreement shall terminate twelve 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 fifteen days after the receipt of the notice by the International Civil Aviation Organization (ICAO).

Article XIII. The present Agreement and any amendment thereto shall be registered with the International Civil Aviation Organization (ICAO). The Government of Canada undertakes to make the necessary registration arrangements.

Article XIV. 1. The schedule attached to the present Agreement shall be deemed to be part of the Agreement and all references to the "Agreement" shall include references to the schedule, except where otherwise expressly provided.

2. The present Agreement shall be subject to ratification and instruments of ratification shall be exchanged in Ottawa as soon as possible.

3. The present Agreement shall enter into force on the date of the exchange of instruments of ratification.

ROUTE SCHEDULE

SECTION I

Routes to be operated in both directions by the designated airline or airlines of Canada:

1. Canada to Rome direct or via intermediate points in Europe to be named by Canada and beyond Rome direct or via one or more of the following points: Amman, Ankara, Athens, Baghdad, Beirut, Damascus, Istanbul, Nicosia, Teheran, Tel Aviv and/or via one of four points to be named by Canada to Bangkok (or another point in South East Asia to be named by Canada), and one point beyond to be named by Canada (excluding Australia) and beyond to Canada.

2. Canada to Milan direct or via intermediate points in Europe to be named by Canada and beyond Milan to: (*a*) points in Yugoslavia to be named by Canada; (*b*) one of the following points: Algiers, Cairo, Khartoum, Tunis.

NOTES: (*a*) On Routes 1 and 2, a total of five intermediate points in Europe to be named by Canada for each IATA season. The four points between Teheran and Bangkok shall also be named by Canada for each IATA season.

(*b*) Not more than one airline shall be entitled to operate on each of the air routes. If the Canadian Government should designate one carrier to serve Italy, Rome and Milan may be served as co-terminals. However, the Fifth Freedom rights beyond Italy provided in the Agreement shall on any one flight be exercised only from Rome or from Milan.

SECTION II

Routes to be operated in both directions by the designated airline or airlines of Italy:

1. Italy to Montreal direct and beyond Montreal to Chicago, Los Angeles, Mexico City and a point beyond Los Angeles to be named by Italy.
2. Italy to Montreal and/or Toronto.

NOTE: Not more than one airline shall be entitled to operate on each of the air routes. If the Italian Government should designate one carrier to serve Canada, the designated airline of Italy may serve Toronto as co-terminal with Montreal on Route 1 but without Fifth Freedom traffic rights to and from Toronto.

It is understood that the airline or airlines designated by both Contracting Parties shall be entitled to extend stopover privileges in the Canadian and Italian territories for traffic originating in or destined for third countries.

It is also understood that the airline or airlines designated by each Contracting Party shall enjoy the privileges of carrying into and out of the territory of the other Contracting Party intransit traffic originating in or destined for points in third countries.

SEZIONE II

Rotte esercitate in entrambe le direzioni, dalla impresa o dalle imprese designate dell'Italia:

1. Dall'Italia a Montreal direttamente e oltre Montreal a Chicago, Los Angeles, Città del Messico e un punto oltre Los Angeles da essere specificato da parte italiana.
2. Dall'Italia a Montreal e/o Toronto.

NOTE: Non più di una impresa sarà autorizzata su ciascuna delle rotte. Se il Governo italiano designerà una sola impresa per i servizi sul Canada, l'impresa designata dall'Italia potrà operare su uno stesso servizio gli scali di Toronto e di Montreal anche sulla Rotta 1., ma senza diritti di traffico di quinta libertà da e per Toronto.

Resta inteso che l'impresa o le imprese designate di entrambi le Parti Contraenti hanno diritto di effettuare « stop-overs » nei territori canadese ed italiano per il traffico avente origine o destinazione in terzi Paesi.

Resta inteso, inoltre, che l'impresa o le imprese designate di ciascuna Parte Contraente hanno il diritto di trasportare da e per il territorio dell'altra Parte Contraente traffico in transito avente origine o destinazione in punti in terzi Paesi.

[TRANSLATION][1]

AMBASCIATA D'ITALIA[2]
OTTAWA

Toronto, August 28, 1972

Excellency,

I have the honour to acknowledge receipt of your note dated August 28, 1972, which reads as follows:

[*See note I*]

I have the honour to inform you that the Government of the Italian Republic accepts the understanding set forth in your note and considers that your note and this reply shall constitute an agreement between our two Governments to amend the Agreement as specified in the agreed minute of April 28, 1972 and shall hereby authenticate Italian, English and French language versions of the consolidated text of the Agreement as amended, effective from today's date.

[1] Translation supplied by the Government of Italy.
[2] Italian Embassy.

[TRADUCTION][1]

AMBASCIATA D'ITALIA[2]
OTTAWA

Toronto, le 28 août 1972

Excellence,

J'ai l'honneur d'accuser réception de votre note datée le 28 août 1972 dont le texte est libellé de la façon suivante :

[*Voir note I*]

J'ai l'honneur de vous informer que le Gouvernement de la République italienne accepte l'entente indiquée dans votre lettre et considère que votre note et la présente note de réponse constituent un accord entre nos deux Gouvernements afin de modifier l'Accord selon les dispositions du protocole d'accord du 28 avril 1972, et d'authentifier ainsi les versions en langues anglaise et française du texte unifié de l'Accord modifié ainsi que la version en langue italienne du texte unifié de l'Accord modifié qui figurent en annexe à la présente note.

[1] Traduction fournie par le Gouvernement italien.
[2] Ambassade d'Italie.

I avail myself of this opportunity to express to your Excellency the assurances of my highest consideration.

[FABRIZIO ROSSI LONGHI]
Chargé d'Affaires a.i.

The Hon. Mitchell Sharp
Secretary of State
for External Affairs
Ottawa

Veuillez agréer, Excellence, les assurances renouvelées de ma plus haute considération.

[FABRIZIO ROSSI LONGHI]
Chargé d'Affaires a.i.

L'Hon. Mitchell Sharp
Secrétaire d'Etat
aux affaires extérieures
Ottawa