

No. 13462

**CANADA
and
ISRAEL**

Agreement on commercial scheduled air services (with schedule of routes). Signed at Ottawa on 10 February 1971

Authentic texts: English, French and Hebrew.

Registered by the International Civil Aviation Organization on 5 August 1974.

**CANADA
et
ISRAËL**

Accord concernant des services aériens commerciaux réguliers (avec tableau de routes). Signé à Ottawa le 10 février 1971

Textes authentiques: anglais, français et hébreu.

Enregistré par l'Organisation de l'aviation civile internationale le 5 août 1974.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE STATE OF ISRAEL ON COMMERCIAL SCHEDULED AIR SERVICES

The Government of Canada and the Government of the State of Israel hereinafter referred to as the Contracting Parties, both having ratified the Convention on International Civil Aviation opened for signature at Chicago on the 7th day of December, 1944,² and desiring to establish commercial scheduled air services between and beyond their respective territories, have agreed on the following:

Article I. For the purpose of this Agreement, unless otherwise stated, the following terms have the following meaning:

(a) "Aeronautical Authorities" means, in the case of the Government of Canada, the Minister of Transport and the Canadian Transport Commission and, in the case of the State of Israel, the Minister of Transport, or, in both cases, any other authority or person empowered to perform the functions presently exercised by the said Authorities.

(b) "Agreed services" means scheduled commercial air services for the transport of passengers, cargo and mail on the specified routes herein.

(c) "Agreement" means the present articles, schedule of routes attached thereto and any amendment thereto.

(d) "Convention" means the Convention on International Civil Aviation opened for signature at Chicago, on the 7th day of December, 1944.

(e) "Designated airline" means an airline designated in accordance with article III of this Agreement.

(f) "Territory", "air services", "international air services" and "stop for non-traffic purposes" shall have, in the application of this Agreement, the meaning specified in articles 2 and 96 of the Convention.

Article II. Each Contracting Party shall grant to the other Contracting Party the rights enumerated in this Agreement for the purpose of establishing and operating the agreed services.

Article III. Each Contracting Party shall have the right to designate, by diplomatic note, an airline to operate the agreed service on any route specified in the schedule of routes for such a Contracting Party and to substitute another airline for that previously designated.

Article IV. 1. The Aeronautical Authorities of one Contracting Party, upon receipt of a notice of designation by the other Contracting Party, shall with a minimum of delay consistent with its laws and regulations grant to the airline so designated the appropriate authorization to operate the agreed services for which that airline has been designated.

¹ Came into force on 10 February 1971 by signature, in accordance with article XXI.

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.

2. Upon receipt of such authorization the airline may begin at any time to operate the agreed services, provided that a tariff established in accordance with the provisions of article XII of this Agreement is in force in respect of that service.

Article V. 1. Each Contracting Party reserves the right to withhold, revoke or impose conditions on the authorization granted to the airline designated by the other Contracting Party in accordance with article III of this Agreement:

- (a) in the event of failure by such airline to qualify before the Aeronautical Authorities of that Contracting Party under the laws and regulations applied by these authorities in conformity with the Convention;
- (b) in the event of failure by such airline to comply with the laws and regulations of that Contracting Party; and
- (c) in the event that it is not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or its nationals.

2. Unless immediate action to revoke the authorization granted to the airline designated by the other Contracting Party is essential to prevent further infringement of such laws and regulations, the right to revoke such authorization shall be exercised only after consultation with the other Contracting Party.

Article VI. 1. The laws, regulations and procedures 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 shall be complied with by the airline designated by the other Contracting Party upon entrance into, departure from and while within the said territory.

2. The laws and regulations of a Contracting Party respecting entry, clearance, transit, immigration, passports, customs and quarantine shall be complied with by the designated airline of the other Contracting Party and its crews, passengers, cargo and mail upon transit of, admission to, departure from and while within the territory of such a Contracting Party.

Article VII. 1. 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 agreed services on the routes specified in this Agreement, provided that such certificates and licenses 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 licenses granted to its own nationals by the other Contracting Party.

2. If the privileges or conditions of the licenses 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 V.1 (a); in other cases article XVII applies.

Article VIII. 1. 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 upon all other aircraft engaged in similar international services.

2. Neither of the Contracting Parties shall give a preference to its own or any other airline over the designated airline of the other Contracting Party in the application of its customs, immigration, quarantine and similar regulations or in the use of airports, airways and other facilities under its control.

Article IX. 1. The designated airlines of the Contracting Parties shall have a fair and equal opportunity to operate the agreed services covered by this Agreement.

2. The capacity to be provided on the agreed services by the designated airlines shall bear a close relationship to the estimated requirements of the public for air transport between the territories of the Contracting Parties taking into account the requirements of through airline operation. The capacity and scheduling of services to be operated by each airline shall be agreed between the airlines and shall be subject to the approval of the Aeronautical Authorities of both Contracting Parties.

3. Subject to the approval of the Aeronautical Authorities of both Contracting Parties, the designated airlines shall enter into a commercial agreement covering all matters concerning commercial co-operation.

Article X. The Aeronautical Authorities of both Contracting Parties agree to exchange, at the request of either Contracting Party, such statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services. Such statements shall include all information required to determine the amount of traffic carried on the agreed services and the origins and destinations of such traffic.

Article XI. 1. Each Contracting Party shall on a basis of reciprocity exempt the designated airline 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 aircraft equipment, printed publicity material distributed without charge, stores and other items intended for use or used solely in connection with the operation or servicing of aircraft of the designated airline of such other Contracting Party operating the agreed services.

2. The immunities granted by this article shall apply to the items referred to in paragraph 1 of this article:

- (a) introduced into the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party;
- (b) retained on board aircraft of the designated airline of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party; and
- (c) taken on board aircraft of the designated airline of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services;

whether or not such items are used or consumed wholly within the territory of the Contracting Party granting the immunity, provided such items are not alienated in the territory of the said Contracting Party.

Article XII. 1. The tariffs to be applied by a designated airline of one Contracting Party for carriage to or from the territory of the other Contracting Party shall be established at reasonable levels due regard being paid to all relevant factors including cost of operation, reasonable profit and the tariffs of other airlines on the same routes.

2. The tariffs referred to in paragraph 1 of this article shall be agreed upon between the designated airlines of the Contracting Parties, in consultation with other airlines operating over the whole or part of the route, using where possible the traffic conference procedure of the International Air Transport Association.

3. The tariffs so agreed shall be submitted for approval to the Aeronautical Authorities of the Contracting Parties at least forty-five days before the proposed date of their introduction; in special cases, a shorter period may be accepted by the Aeronautical Authorities.

4. If a tariff cannot be established in accordance with the provisions of paragraph 2 of this article, or if during the first twenty-five days of the forty-five days' period referred to in paragraph 3 of this article one Contracting Party gives the other Contracting Party notice of its dissatisfaction with any tariff submitted in accordance therewith, the Aeronautical Authorities of the Contracting Parties shall try to determine the tariff by agreement between themselves.

5. If the Aeronautical Authorities cannot agree upon such tariffs the dispute shall be settled in accordance with the provisions of article XVII of this Agreement.

6. No tariff shall come into force, unless it has been approved or accepted by the Aeronautical Authorities of both Contracting Parties.

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

Article XIII. Each Contracting Party shall on a basis of reciprocity permit the airlines of the other Contracting Party to remit to their Head Offices in the currency of their own country at the official rate of exchange the funds obtained by each in the normal course of its operations subject only to the respective foreign currency regulations applicable to all countries in like circumstances, for the purpose of safeguarding the external financial position and balance of payments, and such remittances shall not be subject to any charges except those normally collected by banks for such operations.

Article XIV. Each Contracting Party shall exempt from income tax, and all other taxes on income imposed by it, all income derived from the operation of aircraft in international air traffic in accordance with the provisions of the exchange of notes constituting an agreement between Canada and Israel for the avoidance of double taxation of income from the operation of ships or aircraft concluded on November 30, 1966,¹ and any amendment thereto.

Article XV. Either Contracting Party may at any time request consultations with the appropriate authorities of the other Contracting Party on questions concerning the interpretation or application of this Agreement. Such consultations shall begin within a period of sixty days from the date the other Contracting Party receives the request, unless otherwise agreed by the Contracting Parties.

¹ United Nations, *Treaty Series*, vol. 630, p. 267.

Article XVI. If either of the Contracting Parties considers it desirable to modify any provision of this Agreement, it may request consultations with the other Contracting Party. Such consultations, which may be between Aeronautical Authorities and which may be through discussion or by correspondence, shall begin within a period of sixty days from the date of the request. Any modification agreed to pursuant to such consultations shall come into force when it has been confirmed by an exchange of diplomatic notes.

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

2. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body, or either Contracting Party may submit the dispute for decision to a Tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two arbitrators. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute and the third arbitrator shall be appointed within a further period of sixty days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. In all cases, the third arbitrator shall be a national of a third State, shall act as President of the Tribunal and shall determine the place where arbitration will be held.

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

4. The expenses of the Tribunal will be equally shared between the Contracting Parties.

Article XVIII. Either Contracting Party may at any time give notice in writing through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement; such notice shall be communicated simultaneously to the International Civil Aviation Organization. In such case the Agreement shall terminate one year 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, the notice shall be deemed to have been received fourteen days after the receipt of the notice by the International Civil Aviation Organization.

Article XIX. This Agreement and any amendment thereto shall be registered by the Government of Canada with the International Civil Aviation Organization.

Article XX. This Agreement shall be amended so as to conform with any multilateral Convention or Agreement which may become binding on both Contracting Parties.

Article XXI. This Agreement shall come into force on the date of signature.

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

DONE in two copies at Ottawa this tenth day of February 1971, corresponding to the fifteenth day of Shvat, 5731, in the English, French and Hebrew languages, each version being equally authentic.

EN FOI DE QUOI les soussignés, y étant dûment autorisés par leurs gouvernements respectifs, ont signé le présent Accord.

FAIT en deux exemplaires à Ottawa le dixième jour de février 1971, correspondant au quinzième jour de Shvat, 5731, en anglais, en français et en hébreu, chaque version faisant également foi.

MITCHELL SHARP

For the Government of Canada:
Pour le Gouvernement du Canada:

EPHRAIM EVRON

For the Government of the State of Israel:
Pour le Gouvernement de l'Etat d'Israël:

הממשלה הפדרלית של קנדה, והממשלה
המדינית של ישראל.

הממשלה הפדרלית של קנדה, והממשלה
המדינית של ישראל, הוציאו לפועל את
הסכם זה, ביום התשתי עשר, חודש שבט, תשל"א.

SCHEDULE OF ROUTES

SECTION I

1. *Specified Routes*

Routes to be operated by the designated airline of Israel

<i>Points of departure</i>	<i>Intermediate points</i>	<i>Points in Canada</i>	<i>Points beyond</i>
Any point or points in Israel	Any point or points in Europe to be named by Israel	Montreal	Two points in the U.S.A. to be named by Israel

2. *Agreed Services*

In the operation of an agreed service on a specified route, the airline designated by the Government of Israel shall have the following rights:

- (a) To put down or take on at the points specified in the territory of Canada international traffic in passengers, mail and cargo coming from or destined for Israel.
- (b) To carry international traffic in passengers, mail and cargo between Israel and intermediate points.
- (c) To grant stop-over privileges at intermediate points to passengers travelling on a specified route between Israel and Canada.
- (d) To carry into and out of the territory of Canada, on the same flight, in-transit traffic coming from or destined for points beyond.

SCHEDULE OF ROUTES

SECTION II

1. *Specified Routes*

Routes to be operated by the designated airline of Canada

<i>Points of departure</i>	<i>Intermediate points</i>	<i>Points in Israel</i>	<i>Points beyond</i>
Any point or points in Canada	Any point or points in Europe to be named by Canada	Tel Aviv	Two points to be named by Canada

2. *Agreed Services*

In the operation of an agreed service on a specified route, the airline designated by the Government of Canada shall have the following rights:

- (a) To put down or take on at the points specified in the territory of Israel international traffic in passengers, mail and cargo coming from or destined for Canada.
- (b) To carry international traffic in passengers, mail and cargo between Canada and intermediate points.
- (c) To grant stop-over privileges at intermediate points to passengers travelling on a specified route between Canada and Israel.
- (d) To carry into and out of the territory of Israel, on the same flight, in-transit traffic coming from or destined for points beyond.