No. 14390

FEDERAL REPUBLIC OF GERMANY
and
MEXICO

Air Transport Agreement (with route schedule). Signed at Mexico City on 8 March 1967

Authentic texts: German and Spanish.

Registered by the International Civil Aviation Organization on 17 October 1975.

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
MEXIQUE

Accord relatif aux transports aériens (avec tableau des routes). Signé à Mexico le 8 mars 1967

Textes authentiques : allemand et espagnol.

Enregistré par l'Organisation de l'aviation civile internationale le 17 octobre 1975.

[TRANSLATION — TRADUCTION]

AIR TRANSPORT AGREEMENT[1] BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE UNITED MEXICAN STATES

The Federal Republic of Germany and 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 of promoting friendly understanding and goodwill among peoples are increasing from day to day,

Desiring to strengthen even more the cultural and economic bonds which link their peoples and the understanding and goodwill which exist between them,

Considering that it is desirable to organize, on equitable bases of equality and reciprocity, regular air services between the two countries, in order to obtain 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 that purpose, who have agreed as follows:

Article 1. 1. For the purposes of this Agreement, unless the text provides otherwise:

(*a*) The term "Agreement" shall mean this Agreement and the Route Schedule annexed hereto;

(*b*) The term "aeronautical authorities" shall mean in the case of the Federal Republic of Germany the Federal Minister of Transport, and in the case of the United Mexican States the Ministry of Communications and Transport, or in either case any person or body authorized to perform the functions exercised at present by those authorities;

(*c*) The term "airline " shall mean any air transport enterprise offering or operating an international air service;

(*d*) The term "designated airline" shall mean an airline which the aeronautical authorities of one Contracting Party have notified to the aeronautical authorities of the other Contracting Party to be the airline which will operate a route or routes specified in the Route Schedule;

(*e*) The term "capacity of an aircraft" shall mean the payload of an aircraft expressed in terms of the number of seats for passengers and the weight for cargo and mail;

(*f*) The term "capacity offered" shall mean the total of the capacities of the aircraft utilized for the operation of each one of the agreed air services multiplied by the frequency with which the said aircraft operates over a given period;

[1] Came into force on 2 November 1969, i.e., 30 days after the exchange of the instruments of ratification, which took place at Bonn on 3 October 1969, in accordance with article 18.

[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; vol. 740, p. 21; vol. 893, p. 117, and vol. 958, p. 217.

(*g*) The term "air route" shall mean the scheduled route followed by an aircraft that is in regular air service;

(*h*) The term "specified route" shall mean the route described in the Route Schedule;

(*i*) The term "passenger load factor" shall mean the ratio of the number of passengers carried by an airline on a specified route over a given period to the number of seats offered by the same airline on the same route and over the same period;

(*j*) the term "frequency" shall mean the number of round trips over a given period that an airline operates on a specified route;

(*k*) The term "change of gauge" shall mean the change of an aircraft for another of different capacity on a specified route;

(*l*) The term "scheduled flights" shall mean the flights made by the designated airlines on specified routes in accordance with the authorized time-tables.

2. 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 Chicago Convention on International Civil Aviation of 7 December 1944.

Article 2. 1. Each Contracting Party shall grant to the other Contracting Party the rights specified in this Agreement with the purpose of establishing air services on the routes specified in the Route Schedule.

2. Except as otherwise provided in this Agreement, the airline designated by each Contracting Party shall enjoy, in the operation of international services, 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 embark and disembark passengers, cargo and mail in international traffic in the said territory, at the points specified in the Route Schedule.

3. If such rights are not exercised immediately, that fact shall not preclude the subsequent inauguration of air services over the specified routes by the airline of a Contracting Party to which such rights are granted.

4. In no case shall the aforementioned rights imply the right to combine specified routes.

Article 3. 1. 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 the said 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, subject to the condition that the designated airline must meet the requirements imposed by the competent aeronautical authorities of the said other Contracting Party, in accordance with the laws and regulations normally applied by those authorities.

2. Upon the entry into force of this Agreement, the aeronautical authorities of the two Contracting Parties shall communicate to each other as soon as possible the relevant information on authorizations granted to operate the routes specified in the Route Schedule.

Article 4. Each Contracting Party reserves the right to refuse to grant permission to operate an air service to the airline designated by the other Contracting Party,

or to revoke such permission after it has been granted, if it is not satisfied that a substantial share of the ownership and the effective control of the said airline are vested in nationals of the said other Contracting Party, or if the said airline fails to comply with the laws and regulations referred to in this Agreement, or if the airline or the Government designating it ceases to fulfil the conditions under which the rights are granted in accordance with this Agreement, or if the designated airline fails to comply with the conditions laid down when permission was granted; however, each Contracting Party shall exercise the said right only after holding consultations in accordance with the provisions of article 13 of this Agreement, unless it is found necessary to proceed to an immediate suspension of the service or to establish conditions for the service immediately in order to avoid further infractions of the laws or regulations.

Article 5. 1. The laws and regulations of one Contracting Party relating to the admission to or departure from its territory of aircraft used 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 fulfilled 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 or departure from its territory of passengers, crew, cargo and mail, such as regulations relating to entry, exit, clearance, migration, customs and health, shall be complied with by passengers and crew, and with respect to cargo and mail, transported on the aircraft of the designated airline of the other Contracting Party upon entrance into or departure from, and while within, the territory of the first-mentioned Party.

Article 6. Certificates of airworthiness, certificates of competency and licences issued or validated 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 described in this Agreement, provided that the requirements under which such certificates or licences were issued or validated 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 flight over its own territory, certificates of competency and licences granted to its own nationals by another State.

Article 7. 1. Each of the Contracting Parties 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. Each of the Contracting Parties agrees, however, that the said charges shall not be higher than those paid for the use of such airports and facilities by its national aircraft used in similar international services.

2. Lubricating oils, technical supplies for consumption, spare parts, standard 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 a basis of reciprocity, from customs duties, inspection fees and other federal, State and municipal taxes and charges.

3. Fuel, lubricating oils, other technical supplies for consumption, spare parts, standard equipment and stores retained on board aircraft of the designated airlines shall be exempt, on a basis of reciprocity, upon arriving in or departing from the ter-

ritory of the other Contracting Party, from customs duties, inspection fees and other federal, State and municipal 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, standard equipment and stores taken on board aircraft of the designated airlines of one Contracting Party and used in international service in the territory of the other Contracting Party shall be exempt, on a basis of reciprocity, from customs duties, excise taxes, inspection fees and other federal, State and municipal taxes and charges.

Article 8. The Contracting Parties agree that the designated airlines shall be accorded fair and reasonable treatment to ensure 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 airlines.

Article 10. 1. The services provided by a designated airline under this Agreement shall retain 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 the designated airlines 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*) traffic requirements between the country of origin and the countries of destination;
(*b*) the requirements of through traffic; and
(*c*) traffic requirements of the area through which the airline passes, after local and regional services have been taken into account.

4. Fifth-freedom traffic is complementary to the traffic needs on the routes between the territories of the Contracting Parties and is subsidiary with regard to the needs of third-freedom and fourth-freedom traffic between the territory of the other Contracting Party and a third country on the route.

5. With reference to the provisions of paragraph 4 of this article, both Contracting Parties recognize that the operation of local and regional services constitutes a legitimate right of the two Contracting Parties. Consequently they agree to consult each other periodically on the way in which the rules of 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 their continental services, will not be prejudiced.

6. Any change of gauge justified by reason 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 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 to be detrimental to the interests of the airline designated by it, it may, within 15 days, request consultation with the other Contracting Party. Such consultation shall begin within 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 of justification for the proposed increase. If no agreement is reached between the Contracting Parties within 90 days from the date of the request for consultation, the question shall be submitted to arbitration in accordance with the provisions of article 14. In the meantime, the proposed increase may not be put into effect.

Article 11. 1. The tariffs for each agreed service shall be established at reasonable levels, due regard being paid to all relevant factors, including the cost of operation, reasonable profit, the characteristics of each service and the tariffs of other airlines.

2. The tariffs referred to in paragraph 1 of this article shall, where possible, be established by agreement by the designated airlines of both Contracting Parties after consultation with other airlines operating over all or part of the same route. In reaching an agreement, the designated airlines may use the procedures established by the International Air Transport Association (IATA) for the fixing of tariffs. The tariffs must be submitted for approval to the aeronautical authorities of both Contracting Parties at least 45 days before the date proposed for their entry into force. In special cases, the time-limit may be reduced if the aeronautical authorities so agree.

3. The tariffs which an airline designated by either of the Contracting Parties proposes to establish must include the rates from the point of departure to the destination indicated in the specified routes, from the point of departure and the destination to intermediate points and between intermediate points, and to points beyond the terminal points indicated, provided that flights to such points carry the same flight number and are serviced by the same aircraft.

4. If the designated airlines are unable to reach agreement or if the tariffs are not approved by the aeronautical authorities of one Contracting Party, the aeronautical authorities of both Contracting Parties shall endeavour to fix the tariff by agreement.

5. In the absence of an agreement, the dispute shall be submitted to arbitration in accordance with article 14 of this Agreement.

6. It is understood that the procedure provided for in paragraphs 4 and 5 shall be applicable only in cases of irreconcilable difference of opinion between the designated airlines and the aeronautical authorities concerned. Normal cases involving the non-approval of tariffs as a result of a failure to comply with certain requirements on the part of the designated airline requesting approval or as a result of certain amendments to internal regulations may always be settled directly between the designated airline and the aeronautical authorities concerned.

7. Established tariffs shall remain in force until new tariffs are fixed in accordance with the provisions of this article or of article 14 of this Agreement.

Article 12. Whenever necessary, the aeronautical authorities of the two Contracting Parties shall exchange views in order to ensure close co-operation and understanding in all matters related to the implementation and interpretation of this Agreement.

Article 13. 1. Consultation between the competent authorities of the two Contracting Parties for the purpose of discussing the interpretation, application or amendment of this Agreement may be requested at any time by either Contracting Party through the diplomatic channel. Such consultation shall begin within a period of 60 days from the date of the receipt by one Contracting Party of the request made by the other Contracting Party.

2. The amendments so agreed upon shall enter into force after the respective constitutional provisions have been complied with and after both Contracting Parties confirm their compliance with such provisions by means of an exchange of diplomatic notes.

Article 14. 1. Except 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 of whom shall be designated by each of the Contracting Parties and the third by agreement by the first two members of the tribunal, on condition that the third member is not a national of either of the Contracting Parties.

2. Each of the Contracting Parties shall designate an arbitrator within 60 days from the date of delivery by either of the Contracting Parties to the other Contracting Party of a diplomatic note requesting the settlement of a dispute by arbitration; the third arbitrator shall be designated within 30 days from the date of expiration of the 60 days referred to above.

3. If within the term indicated no agreement is reached concerning the third arbitrator, the post shall be filled by a person appointed for that purpose by the President of the Council of the International Civil Aviation Organization, in conformity with its practice.

4. The arbitral tribunal shall take its decisions by majority vote. Its decisions shall be binding on both Contracting Parties. Each Contracting Party shall pay the expenses of its arbitrator, as well as those of its representation at the proceedings of the arbitral tribunal; the expenses of the third arbitrator and other costs shall be borne equally by the two Contracting Parties. In all other matters, the arbitral tribunal shall adopt its own rules of procedure.

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 to the provisions of that convention, in accordance with the procedure established in article 13.

Article 16. This Agreement and all amendments to it shall be registered with the International Civil Aviation Organization.

Article 17. 1. Either of the Contracting Parties may at any time notify the other Contracting Party of its intention to terminate this Agreement, undertaking the obligation of simultaneously notifying the International Civil Aviation Organization. The Agreement shall cease to have effect six months after the date of receipt of the notice of termination. If the other Contracting Party fails to acknowledge receipt, the notice shall be deemed to have been received 14 days after its receipt by the International Civil Aviation Organization.

2. Without prejudice to the provisions of the preceding paragraph, this Agreement shall remain in force for a period of three years from the date of its signature

and shall be tacitly understood to have been renewed for successive periods of three years unless one of the Contracting Parties requests revision of the Agreement six months before the date of its termination.

Article 18. 1. This Agreement is subject to ratification. The exchange of the instruments of ratification shall take place as soon as possible at Bonn.

2. This Agreement shall enter into force 30 days after the exchange of the instruments of ratification.

IN WITNESS WHEREOF the undersigned, being duly authorized to do so, have signed this Agreement.

DONE at Mexico City, in duplicate in the German and Spanish languages, both texts being equally authentic, on 8 March 1967.

For the Federal Republic of Germany:
Dr. CARL AUGUST ZAPP
Ambassador Extraordinary and Plenipotentiary
of the Federal Republic of Germany

For the United Mexican States:
Lic. ANTONIO CARRILLO FLORES
Minister for Foreign Affairs
of the United Mexican States

ROUTE SCHEDULE

SECTION I

The airline designated by the United Mexican States shall be entitled to operate air services, in both directions, on the routes specified below and to make scheduled stops at the points indicated in this section:

Points in the United Mexican States—intermediate points—Cologne/Bonn,[1] Frankfurt am Main and Munich—points beyond.

SECTION II

The airline designated by the Federal Republic of Germany shall be entitled to operate air services, in both directions, on the routes specified below and to make scheduled stops at the points indicated in this section:

Points in the Federal Republic of Germany—intermediate points—Monterrey, Mérida and Mexico City—points beyond.

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[1] "Bonn" appears only in the authentic German text.