

No. 17880

**FEDERAL REPUBLIC OF GERMANY
and
PARAGUAY**

**Air Transport Agreement (with exchange of notes). Signed
at Bonn on 26 November 1974**

Authentic texts: German and Spanish.

Registered by the International Civil Aviation Organization on 2 July 1979.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PARAGUAY**

**Accord relatif aux transports aériens (avec échange de
notes). Signé à Bonn le 26 novembre 1974**

Textes authentiques : allemand et espagnol.

*Enregistré par l'Organisation de l'aviation civile internationale le 2 juillet
1979.*

[TRANSLATION — TRADUCTION]

AIR TRANSPORT AGREEMENT¹ BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE REPUBLIC OF PARAGUAY

The Federal Republic of Germany and the Republic of Paraguay,
Desiring to regulate air transport between their respective territories and beyond,

Have agreed as follows:

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

1. The term “the Convention” means the Convention on International Civil Aviation signed at Chicago on 7 December, 1944,² including all the annexes adopted under article 90 of that Convention and all amendments to that Convention or to its annexes adopted under articles 90 and 94 thereof in force between the two Contracting Parties;

2. The term “aeronautical authority” means, in the case of The Federal Republic of Germany, the Federal Minister of Transport; and, in the case of the Republic of Paraguay, the Directorate-General of Civil Aeronautics—Ministry of National Defence, or in both cases any other person or institution authorized to assume the functions exercised by those authorities;

3. The term “designated airline” means any airline which one Contracting Party has designated in writing to the other Contracting Party in accordance with article 3 of this Agreement as an airline that will provide international air services on specific routes in accordance with article 2 (2);

4. The terms “territory”, “air service”, “international air service” and “stops for non-traffic purposes” shall, for the implementation of this Agreement, have the meaning established in articles 2 and 96 of the Convention.

Article 2. (1) Under the provisions of this Agreement, the airline designated by each of the Contracting Parties shall, while providing an agreed service on a fixed route, enjoy the following privileges:

(a) Of overflying the territory of the other Contracting Party without landing;

(b) Of making stops for non-traffic purposes in the said territory;

(c) Of making stops, in the territory of the other Contracting Party, at fixed points on the routes agreed on in the route schedule, in accordance with paragraph (2) of this article, in order to discharge or take on passengers, mail or freight for international traffic purposes.

(2) The routes on which the airlines designated by the Contracting Parties may operate international air services shall be specified in an exchange of notes between the Governments of the Contracting Parties.

¹ Came into force on 26 August 1978, i.e., 30 days after the exchange of the instruments of ratification, which took place at Asunción on 27 July 1978, in accordance with article 16 (2).

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; vol. 958, p. 217, and vol. 1008, p. 213.

Article 3. (1) The international air services on the routes specified in accordance with article 2, paragraph 2, of this Agreement, may be operated at any time, provided that:

- (a) The Contracting State to which the rights specified in article 2, paragraph (1), have been granted, shall have designated one or more airlines in writing, and
- (b) The Contracting Party granting the said rights shall have authorized the designated airline or airlines to operate the air services.

(2) Subject to the provisions of paragraphs (3) and (4) of this article, and to article 9 of this Agreement, the Contracting Party granting such rights shall issue the above-mentioned authorization without delay.

(3) The authorities of either Contracting Party may require any airline designated by the other Contracting Party to prove that it is qualified to meet the requirements prescribed under the laws and regulations normally and reasonably applied by the said authorities, in accordance with the provisions of the Convention, for the operation of international air services.

(4) Each Contracting Party shall reserve the right, after consultation, to withhold or revoke the authorization to operate referred to in paragraph (2) of this article granted to an airline designated by the other Contracting Party, if such airline is unable to prove, upon request, that substantial ownership and effective control of such airline are vested in nationals or corporations of the other Contracting Party or in that Contracting Party itself.

Article 4. (1) Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise, by the airline designated by the other Contracting Party, of the rights specified in article 3, paragraph (2), or to make the exercise of such rights subject to such conditions as it may deem necessary where:

- (a) It has no proof that substantial ownership and effective control of such airline are vested in the Contracting Party that has designated the airline, or in nationals thereof, or that
- (b) Such airline has not complied with the laws or regulations of the Contracting Party which granted such rights, or that
- (c) Such airline is not operating the services in the manner prescribed by this Agreement.

Each Contracting Party shall exercise the said right only after holding consultations in accordance with article 12 of this Agreement, unless it is deemed necessary to suspend the service immediately or to prescribe immediately conditions for the service in order to avoid further breaches of the laws or regulations.

(2) Each of the Contracting Parties may, by written notification to the other Contracting Party, replace a designated airline by another airline, subject to the requirements of article 3 of this Agreement. The newly designated airline shall have the same rights and be subject to the same obligations as the airline which it replaces.

Article 5. The charges levied in the territory of each Contracting Party for the use of airports and navigational aids by the aircraft of an airline designated by the Contracting Party shall not be higher than those paid by aircraft of a national airline providing similar international air services.

Article 6. (1) Aircraft operated by a designated airline of one Contracting Party entering, departing from or flying over the territory of the other Contracting

Party as well as fuel, lubricants, spare parts, standard equipment and aircraft stores, shall be exempt from customs duties and other charges levied on the importation, exportation or transit of goods. This shall also apply when the goods on board the said aircraft are consumed in flight over the territory of the latter Contracting Party.

(2) Fuel, lubricants, aircraft stores, spare parts and other standard equipment introduced temporarily into the territory of one Contracting Party for installation, immediately or after storage, in the aircraft of an airline designated by the other Contracting Party or otherwise carried on board or re-exported in some other manner from the territory of the former Contracting Party shall be exempt from the duties and other charges mentioned in paragraph (1).

(3) Fuel and lubricants taken on board the aircraft of a designated airline of one Contracting Party in the territory of the other Contracting Party and used in international air service shall be exempt from the duties and other charges specified in paragraph (1) and from any special consumption taxes.

(4) Each of the Contracting Parties may place the goods referred to in paragraphs 1 to 3 under customs supervision.

(5) To the extent that no duties or other charges are levied thereon, the goods referred to in paragraphs (1) to (3) shall not be subject to any economic prohibitions and restrictions in respect of their importation, exportation and transit that might otherwise be applied to them.

Article 7. (1) There shall be fair and equal opportunity for the designated airlines of each Contracting Party to provide service on any route specified in accordance with article 2, paragraph (2), of this Agreement.

(2) In the operation of services on the routes specified in accordance with article 2, paragraph (2), of this Agreement, the airline designated by each of the Contracting Parties shall take account of the interests of the airline designated by the other Contracting Party in order not to harm unduly the services which the latter operates over all or part of the same route.

(3) The international air service on the routes specified in accordance with article 2, paragraph (2), of this Agreement shall have as its primary objective the provision of capacity adequate to the foreseeable traffic demands to and from the territory of the Contracting Party designating the airline. The right of such airline to carry traffic between points on a route specified in accordance with article 2, paragraph (2), of this Agreement, which are situated in the territory of the other Contracting Party, and points in third countries shall be exercised in the interest of the orderly development of international air transport, in such a way that capacity is adapted to:

- (a) The traffic demand to and from the territory of the Contracting Party designating the airline;
- (b) The traffic demand existing in the zones through which the air services pass, account being taken of local and regional services;
- (c) The requirements for the economic operation of through air services.

Article 8. (1) The designated airlines shall communicate to the aeronautical authorities of both Contracting Parties, not later than 30 days prior to the inauguration of air services on the routes specified in accordance with article 2, paragraph (2), of this Agreement, the type of service, the types of aircraft to be used and the routes. This shall also apply to any subsequent changes.

(2) The aeronautical authorities of either Contracting Party shall furnish to the aeronautical authorities of the other Contracting Party, upon request, all periodic or other statistical data of the designated airlines that may be duly requested for the purpose of reviewing the capacity provided by any designated airline of the first-mentioned Contracting Party on the routes specified in accordance with article 2, paragraph 2, of this Agreement. Such data shall include all the information required to determine the amount of traffic carried and the origin and destination of such traffic.

Article 9. (1) In fixing the rates to be charged for passengers and freight on the routes specified in accordance with article 2, paragraph 2, of this Agreement, account shall be taken of all relevant factors, such as cost of operation, reasonable profit, the characteristics of the various routes and the rates charged by other airlines operating over the same routes or parts thereof.

(2) The rates shall, if possible, be established for each route by agreement between the respective airlines concerned. For this purpose, the designated airlines shall be governed by such decisions as are applicable under the rate-setting procedures of the International Air Transport Association (IATA), or shall, if possible, agree on such rates directly between themselves after consulting with third-country airlines operating over the same routes or parts thereof.

(3) Any rates so agreed shall be submitted for approval to the aeronautical authorities of both Contracting Parties at least 30 days prior to the proposed date of their introduction. This period may be reduced in special cases if the aeronautical authorities so agree.

(4) Where no agreement is reached between the designated airlines in accordance with paragraph 2 of this article, or where one of the Contracting Parties does not consent to the rates submitted for its approval in accordance with paragraph 3, the aeronautical authorities of the two Contracting States shall by common accord fix the rates for those routes or parts thereof on which no agreement has been reached.

(5) Where no accord, as mentioned in paragraph 4 of this article, is reached between the aeronautical authorities of the two Contracting Parties, the provisions of article 13 of this Agreement shall apply. Until such time as an arbitral award is rendered, the Contracting Party which has withheld its consent to the given rates shall be entitled to require the other Contracting Party to maintain the rates previously in force.

Article 10. Each airline designated by either Contracting Party may maintain and employ its own personnel for its services in the airport and towns in the territory of the other Contracting Party where it intends to maintain an agency; work permits for skilled personnel shall be issued at the request of the airline concerned. If a designated airline foregoes establishing its own organization at airports in the territory of the other Contracting Party, it shall relegate the work in question, as far as possible, to the personnel of one of such airports or of an airline designated in accordance with article 3, paragraph 1, sub-paragraph (a), of this Agreement.

Article 11. Exchanges of views shall take place as needed between the aeronautical authorities of the two Contracting Parties in order to achieve close co-operation and understanding in all matters pertaining to the application and interpretation of this Agreement.

Article 12. Consultation may be requested at any time by either Contracting Party for the purpose of discussing amendments to this Agreement or to the route schedule or problems of interpretation. The same shall apply for discussion of the application of the Agreement if, in the opinion of one of the Contracting Parties, the exchange of views provided for in article 11 of this Agreement has not produced a solution. Such consultation shall take place within 60 days from the receipt of any such request by the other Contracting Party.

Article 13. (1) Where a dispute arises with respect to the interpretation or application of this Agreement that cannot be settled in accordance with article 12 of this Agreement, the question shall be submitted to an arbitral tribunal at the request of one of the Contracting Parties.

(2) Such arbitral tribunal shall be constituted *ad hoc* as follows: each Contracting Party shall appoint one member and these two members shall by mutual agreement choose a national of a third State as umpire to be appointed by the Governments of the two Contracting Parties. The members shall be appointed within 60 days and the umpire within 90 days from the date on which either Contracting Party has notified the other Party of its intention to submit the disagreement to arbitration.

(3) Where the periods specified in paragraph 2 are not observed, either Contracting Party may, in the absence of any other agreement, request the President of the Council of the International Civil Aviation Organization (ICAO) to make the necessary appointments. Where the President is a national of either Contracting Party or if he is otherwise prevented, the Vice-President deputizing for him shall make the appointments.

(4) The arbitral tribunal shall reach its decisions by a majority of votes. Such decisions shall be binding on both Contracting Parties. Each Contracting Party shall bear the cost of its own member as well as of its representation in the proceedings of the arbitral tribunal; the cost of the umpire and any other costs shall be borne in equal parts by the two Contracting Parties. The arbitral tribunal shall adopt its own rules.

Article 14. In the event of a general multilateral air transport convention accepted by both Contracting Parties entering into force, the provisions of such multilateral convention shall prevail.

Article 15. This Agreement, any amendments thereto and any exchange of notes under article 2, paragraph 2, of this Agreement shall be communicated to the International Civil Aviation Organization (ICAO) for registration.

Article 16. (1) This Agreement shall be ratified. The instruments of ratification shall be exchanged as soon as possible at Asunción.

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

(3) Each Contracting Party may at any time denounce this Agreement in writing. The Agreement shall cease to have effect one year after receipt of the denunciation by the other Contracting Party.

DONE at Bonn on 26 November 1974, in two originals in the German and Spanish languages, both texts being equally authentic.

For the Federal Republic of Germany:

Dr. H. G. SACHS

For the Republic of Paraguay:

Dr. ROQUE J. YÓDICE CODAS

EXCHANGE OF NOTES

I

THE STATE SECRETARY IN THE FOREIGN OFFICE

Bonn, 26 November 1974

404-455.00 PAR

Sir,

I have the honour, in implementation of article 2, paragraph 2, of the Air Transport Agreement between the Federal Republic of Germany and the Republic of Paraguay signed today, to propose to you, on behalf of the Government of the Federal Republic of Germany, that the following Arrangement be concluded:

Air services between our respective territories may be operated over the routes specified in the following route schedule:

ROUTE SCHEDULE

I. *Routes to be operated by the airlines designated by the Federal Republic of Germany*
From points in the Federal Republic of Germany via intermediate points to points in the Republic of Paraguay and beyond.

II. *Routes to be operated by the airlines designated by the Republic of Paraguay*
From points in the Republic of Paraguay via intermediate points to points in the Federal Republic of Germany and beyond.

III. A designated airline may, if it so desires, omit one or more of the points on a specified route, provided that the point of origin of such route lies in the territory of the Contracting Party that has designated the airline.

If the Government of the Republic of Paraguay agrees to the above route schedule, this note and your note in reply expressing your Government's agreement shall constitute an arrangement between our two Governments, to enter into force on the same date as the above-mentioned Agreement.

Accept, Sir, etc.

[Dr. HANS-GEORG SACHS]

His Excellency Dr. Roque Jesús Yódice Codas
Ambassador Extraordinary and Plenipotentiary
of the Republic of Paraguay
Bonn

II

EMBASSY OF PARAGUAY IN GERMANY

Bonn-Bad Godesberg, 26 November 1974

Sir,

I have the honour to acknowledge receipt of your note of today's date, which reads as follows:

[*See note I*]

I have the honour to inform you that the Government of the Republic of Paraguay agrees to the route schedule set forth in your note and that the said note and this note in reply shall constitute an arrangement between our two Governments, to enter into force on the same date as the Air Transport Agreement between the Republic of Paraguay and the Federal Republic of Germany, signed today.

Accept, Sir, etc.,

[*Signed*]

Dr. ROQUE J. YÓDICE CODAS
Ambassador

His Excellency Dr. Hans-Georg Sachs
Secretary of State
Ministry of Foreign Affairs
Bonn
