No. 17504

UNITED STATES OF AMERICA
and
SINGAPORE

Air Transport Agreement (with annex and exchanges of notes). Signed at Singapore on 31 March 1978

Authentic text: English.

Registered by the United States of America on 22 January 1979.

ÉTATS-UNIS D'AMÉRIQUE
et
SINGAPOUR

Accord relatif aux transports aériens (avec annexe et échanges de notes). Signé à Singapour le 31 mars 1978

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 22 janvier 1979.

AIR TRANSPORT AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA

The Government of the Republic of Singapore and the Government of the United States of America,

Recognizing the increasing importance of international air travel between the two countries and desiring to conclude an agreement which will assure its continued development in the common welfare, and

Being Parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944,[2]

Have agreed as follows:

Article 1. For the purpose of the present Agreement:

A. "Agreement" shall mean this Agreement, the annex attached thereto, and any amendments thereto.

B. "Aeronautical authorities" shall mean, in the case of the Republic of Singapore, the Minister for Communications and, in the case of the United States of America, the Federal Aviation Administration with respect to the technical permission, safety standards, and requirements referred to in articles 3 and 6 (B), respectively, otherwise the Civil Aeronautics Board, or, in both cases, any person or agency authorized to perform the functions exercised at present by those authorities.

C. "Designated airline" shall mean an airline that one Contracting Party has notified the other Contracting Party to be an airline which will operate a specific route or routes listed in the annex to this Agreement. Such notification shall be communicated in writing through diplomatic channels.

D. "Territory", in relation to a State, shall mean the land areas under the sovereignty, suzerainty, protection, jurisdication or trusteeship of that State, and territorial waters adjacent thereto.

E. "Air service" shall mean any scheduled air service performed by aircraft for the public transport of passengers, cargo or mail, separately or in combination.

F. "International air service" shall mean an air service which passes through the air space over the territory of more than one State.

G. "Stop for non-traffic purposes" shall mean a landing for any purpose other than taking on or discharging passengers, cargo or mail.

Article 2. A. Each Contracting Party grants to the other Contracting Party rights for the conduct of air services by the designated airline or airlines, as follows:

(1) To fly across the territory of the other Contracting Party without landing;

[1] Came into force on 31 March 1978 by signature, in accordance with article 16.
[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.

(2) To land in the territory of the other Contracting Party for non-traffic purposes; and

(3) To make stops at the points in the territory of the other Contracting Party named on each of the routes specified in the appropriate paragraph of the annex of this Agreement for the purpose of taking on and discharging international traffic in passengers, cargo and mail, separately or in combination.

B. If, because of armed conflict, political disturbance or developments, or special and unusual circumstances, a designated carrier of one Contracting Party is unable to operate a service on its normal routing, the other Contracting Party shall use its best efforts to facilitate the continued operations of such service through appropriate rearrangements of such routes, including the grant of rights for such time as may be necessary to facilitate viable operations.

Article 3. Air service on a route specified in the annex to this Agreement may be inaugurated by an airline or airlines of one Contracting Party at any time after that Contracting Party has designated such airline or airlines for that route and the other Contracting Party has granted the appropriate operating and technical permission. Such other Contracting Party shall, subject to articles 4 and 6, grant this permission, provided that the designated airline or airlines may be required to qualify before the competent aeronautical authorities of that Contracting Party, under the laws and regulatings normally applied by those authorities, before being permitted to engage in the operations contemplated in this Agreement.

Article 4. A. Each Contracting Party reserves the right to withhold or revoke the operating permission referred to in article 3 of this Agreement with respect to an airline designated by the other Contracting Party, or to impose conditions on such permission, in the event that:

(1) Such airline fails to qualify under the laws and regulations normally applied by the aeronautical authorities of that Contracting Party;

(2) Such airline fails to comply with the laws and regulations referred to in article 5 of this Agreement; or

(3) That Contracting Party is not satisfied that substantial ownership and effective control of such airline are vested in the Contracting Party designating the airline or in nationals of that Contracting Party.

B. Unless immediate action is essential to prevent infringement of the laws and regulations referred to in article 5 of this Agreement, the right to revoke such permission shall be exercised only after consultation with the other Contracting Party.

Article 5. A. The laws and regulations 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 while within its territory, shall be applied to the aircraft of the airline or airlines designated by the other Contracting Party and shall be complied with by such aircraft upon entrance into or departure from and while within the territory of the first Contracting Party.

B. The laws and regulations of one Contracting Party relating to the admission to or departure from its territory of passengers, crew, cargo or mail of aircraft, including regulations relating to entry, clearance, immigration, passports, customs, and quarantine, shall be complied with by or on behalf of such

passengers, crew, cargo or mail of the airlines of the other Contracting Party upon entrance into or departure from and while within the territory of the first Contracting Party.

Article 6. A. 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 routes and services provided for in this Agreement, provided that the requirements under which such certificates or licenses were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention on International Civil Aviation. 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.

B. The competent aeronautical authorities of each Contracting Party may request consultations concerning the safety and security standards and requirements relating to aeronautical facilities, airmen, aircraft, and the operation of the designated airlines which are maintained and administered by the other Contracting Party. If, following such consultations, the competent aeronautical authorities of either Contracting Party find that the other Contracting Party does not effectively maintain and administer safety and security standards and requirements in those areas that are equal to or above the minimum standards which may be established pursuant to the Convention on International Civil Aviation, they will notify the other Contracting Party of such findings and the steps considered necessary to bring the safety and security standards and requirements of the other Contracting Party to standards at least equal to the minimum standards which may be established pursuant to said Convention, and the other Contracting Party will take appropriate corrective action. Each Contracting Party reserves the right to withhold or revoke the technical permission referred to in article 3 of this Agreement with respect to an airline designated by the other Contracting Party, or to impose conditions on such permission, in the event the other Contracting Party does not take such appropriate action within a reasonable time.

Article 7. 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 for the use of such airports and facilities by its national aircraft engaged in similar international services.

Article 8. A. Each Contracting Party shall exempt the designated airline or airlines 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, lubricants, consumable technical supplies, spare parts including engines, regular equipment, ground equipment, stores, and other items intended for use solely in connection with the operation or servicing of aircraft of the airlines of such other Contracting Party engaged in international air service. The exemption provided under this paragraph shall apply to items:

(1) Introduced into the territory of one Contracting Party by or on behalf of the designated airlines of the other Contracting Party provided that such items may be required to be kept under customs supervision or control;

(2) Retained on aircraft of the designated airlines of one Contracting Party upon arriving in or leaving the territory of the other Contracting Party; or

(3) Taken on board aircraft of the designated airlines of one Contracting Party in the territory of the other and intended for use in international air service;

whether or not such items are used or consumed wholly within the territory of the Contracting Party granting the exemption.

B. The exemptions provided for by this article shall also be available in situations where the designated airline or airlines of one Contracting Party have entered into arrangements with another airline or airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraph A, provided such other airline or airlines similarly enjoy such exemptions from such other Contracting Party.

Article 9. A. There shall be a fair and equal opportunity for the arilines of each Contracting Party to operate on any route covered by this Agreement.

B. In the operation by the airlines of either Contracting Party of the air services described in this Agreement, the interest of the airlines of the other Contracting Party shall be taken into consideration so as to not affect unduly the services which the latter provide on all or part of the same routes.

C. The air services made available to the public by the airlines operating under this Agreement shall bear a close relationship to the requirements of the public for such services.

D. Services provided by a designated airline under this Agreement shall retain as their primary objective the provision of capacity adequate to the traffic demands between the country of which such airline is a national and the countries of ultimate destination of the traffic. The right to embark or disembark on such services international traffic destined for and coming from third countries at a point or points on the routes specified in this Agreement shall be applied in accordance with the general principles of orderly development to which both Contracting Parties subscribe and shall be subject to the general principle that capacity should be related to:

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

(2) The requirements of through airline operations; and

(3) The traffic requirements of the area through which the airline passes, after taking account of local and regional services.

E. Without prejudice to the right of each Contracting Party to impose such uniform conditions on the use of airports and airport facilities as are consistent with article 15 of the Convention on International Civil Aviation, neither Contracting Party shall unilaterally restrict the airline or airlines of the other Contracting Party with respect to capacity, frequency, scheduling or type of aircraft employed in connection with services over any of the routes specified in the annex to this Agreement. In the event that one of the Contracting Parties believes that the operations conducted by an airline of the other Contracting Party have been inconsistent with the standards and principles set forth in this article, it may request consultations pursuant to article 12 of this Agreement for the purpose of reviewing the operations in question to determine whether they are in conformity with said standards and principles.

Article 10. A. Both Contracting Parties are committed to expanding passenger and cargo air transportation opportunities between the two countries. This can best be achieved by implementing innovative low-fare services which are beneficial to travellers and shippers. The Contracting Parties will encourage airlines to explore, propose, and implement the lowest possible level of fares and rates which can be economically justified.

B. Any rate proposed to be charged by an airline of either Contracting Party for carriage to or from the territory of the other Contracting Party shall, if so required, be filed by such airline with the aeronautical authorities of the other Contracting Party at least forty-five (45) days before the proposed date of introduction unless the Contracting Party with whom the filing is to be made permits filing on shorter notice. The aeronautical authorities of each Contracting Party shall use their best efforts to ensure that the rates charged and collected conform to the rates filed with either Contracting Party, and that no airline rebates any portion of such rates by any means, directly or indirectly, including the payment of excessive sales commissions to agents.

C. It is recognized by both Contracting Parties that, during any period for which either Contracting Party has approved the traffic conference procedures of the International Air Transport Association, or other association of international air carriers, any rate agreements concluded through these procedures and involving an airline or airlines of that Contracting Party will be subject to the approval of the aeronautical authorities of that Contracting Party.

D. If the aeronautical authorities of a Contracting Party, on receipt of the notification referred to in paragraph B above, are dissatisfied with the rate proposed, the other Contracting Party shall be so informed at least fifteen (15) days prior to the date that such rate would otherwise become effective, and the Contracting Parties shall endeavor to reach agreement on the appropriate rate.

E. If the aeronautical authorities of a Contracting Party, upon review of an existing rate charged for carriage to or from the territory of that Party by an airline or airlines of the other Contracting Party are dissatisfied with that rate, the other Contracting Party shall be so informed and the Contracting Parties shall endeavor to reach agreement on the appropriate rate.

F. In the event that an agreement is reached pursuant to the provisions of paragraph D or E, each Contracting Party will exercise its best efforts to put such rate into effect.

G. If:

(1) Under the circumstances set forth in paragraph D, no agreement can be reached prior to the date that such rate would otherwise become effective, or

(2) Under the circumstances set forth in paragraph E, no agreement can be reached prior to the expiration of sixty (60) days from the date of notification,

then the aeronautical authorities of the Contracting Party raising the objection to the rate may take such steps as may be considered necessary to prevent the inauguration or the continuation of the service in question at the rate complained of; provided, however, that the aeronautical authorities of the Contracting Party raising the objection shall not require the charging of a rate higher than the lowest rate charged by its own airline or airlines for comparable service between the same points.

Article 11. The following provision shall govern the sale of air transportation, the conversion and remittance of revenues and ground handling:

A. Each designated airline shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party directly and, in its discretion, through its agents. Such airline shall have the right to sell such transportation, and any person shall be free to purchase such transportation, in the currency of that territory or in freely convertible currencies of other countries.

B. Any rate specified in terms of the national currency of one of the Contracting Parties shall be established in an amount which reflects the effective exchange rate (including all exchange fees or other charges) at which the airline of both Parties can convert and remit the revenues from their transport operations into the national currency of the other Party.

C. Each designated airline shall have the right to convert and remit to its country local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted promptly and without restrictions at the rate of exchange in effect for the sale of transportation at the time such revenues are present for conversion and remittance and shall be exempted from taxation to the fullest extent permitted by national law. If a Contracting Party does not have a convertible currency and requires the submission of applications for conversion and remittance, the airlines of the other Contracting Party shall be permitted to file such applications as often as weekly free of burdensome or discriminatory documentary requirements.

D. The designated airlines of each Contracting Party should, to the greatest extent possible, be permitted flexibility in ground handling in the country of the other Contracting Party. In accordance with this principle, each designated airline will be permitted to perform or to choose a contractor from authorized sources at the option of the airline to perform the functions of checking in passengers, maintenance, flight planning and operations, selection of fuel vendor, freight receipt and delivery, packing and unpacking, and customs clearance and documentation preparation. Other functions, such as food service and ramp (apron) service, may be performed by each designated airline if feasible, but, if selection of a vendor is required, the choice of authorized vendor shall be made by each designated airline. With respect to ground services, there will be no discrimination as among airlines operating international flights, and prices charged should be reasonable and related to the cost of providing the service.

Article 12. Either Contracting Party may any time request consultations on the interpretation, application or amendment of this Agreement. Such consultations shall begin within a period of sixty (60) days from the date the other Contracting Party receives the request.

Article 13. A. Any dispute with respect to matters covered by this Agreement not satisfactorily adjusted through consultation shall, upon request of either Contracting Party, be submitted to arbitration in accordance with the procedures set forth herein.

B. Arbitration shall be by a tribunal of three arbitrators constituted as follows:

(1) One arbitrator shall be named by each Contracting Party within sixty (60) days of the date of delivery by either Contracting Party to the other of a request

for arbitration. Within thirty (30) days after such period of sixty (60) days, the two arbitrators so designated shall by agreement designate a third arbitrator, who shall not be a national of either Contracting Party.

(2) If either Contracting Party fails to name an arbitrator, or if a third arbitrator is not agreed upon in accordance with paragraph (1), either Contracting Party may request the President of the Council of the International Civil Aviation Organization to designate the necessary arbitrator or arbitrators.

C. Each Contracting Party shall use its best efforts consistent with its national law to put into effect any decision or award of the arbitral tribunal.

D. The expenses of the arbitral tribunal, including the fees and expenses of the arbitrators, shall be shared equally by the Contracting Parties.

Article 14. This Agreement and all amendments thereto shall be registered with the International Civil Aviation Organization.

Article 15. Either Contracting Party may at any time notify the other of its intention to terminate this Agreement. Such notice shall be sent simultaneously to the International Civil Aviation Organization. This Agreement shall terminate one year after the date on which the notice of termination is received by the other Contracting Party, unless withdrawn before the end of this period by agreement between the Contracting Parties.

Article 16. This Agreement will come into force on the day it is signed.

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

DONE in duplicate at Singapore in the English language, this 31st day of March, 1978.

[*Signed*]
ONG TENG CHEONG
Senior Minister of State
for Communications
For the Government
of the Republic of Singapore

[*Signed*]
JOHN H. HOLDRIDGE
Ambassador Extraordinary
and Plenipotentiary
For the Government
of the United States of America

ANNEX

A. An airline or airlines designated by the Government of the United States shall be entitled to operate air services on the specified route, in either or both directions at the discretion of each airline, and to make scheduled landings in Singapore:

1. From the United States and its territories to Singapore via (either as intermediate or beyond points) points in Japan,* Korea,* Hong Kong,* Taiwan,* the Philippines,* Thailand,* Indonesia,* and Malaysia.*

* The total number of flights carrying traffic between these points and Singapore, taken together, shall be limited to no more than three combination and three all-cargo roundtrip flights per week until March 31, 1979; four combination and four all-cargo roundtrip flights per week between April 1, 1979, and March 31, 1980; and five combination and five all-cargo roundtrip flights per week thereafter. Points in Korea and Thailand may be used only for the foregoing all-cargo flights.

B. An airline or airlines designated by the Government of the Republic of Singapore shall be entitled to operate air services on the specified route, in either or both directions at the discretion of each airline, and to make scheduled landings in the United States at the points specified in this paragraph:

1. From Singapore via Hong Kong,**/*** to Guam, Honolulu, and San Francisco.

C. Points on any of the specified routes may, at the option of each designated airline on any or all flights, be served in any order or omitted on any or all flights provided these flights originate or terminate in the territory of the Contracting Party designating the airline.

EXCHANGES OF NOTES

I *a*

EMBASSY OF THE UNITED STATES OF AMERICA
SINGAPORE

March 31, 1978

No. 162

Excellency:

I have the honor to refer to the Air Transport Agreement between the Government of the United States of America and the Government of the Republic of Singapore signed today and to propose, on behalf of my Government, an understanding that (1) consultations shall be held at the request of either Government, at a mutually convenient time and place after April 1980, to review matters related to frequencies, routes and whether a change in destination from San Francisco to Los Angeles is possible; that (2) there are no commitments in regard to the outcome of the issues involved in future consultations; and that (3) if a review of routes, frequencies and possible change of destination is requested, traffic data pertinent to the discussion shall be submitted in advance.

I have further the honor to propose that, if the foregoing understanding is acceptable to your Government, this Note and your reply to that effect constitute an agreement between our two Governments which enters into force on the date of your reply.

Accept, Excellency, the renewed assurances of my highest consideration.

[*Signed — Signé*][1]

His Excellency Ong Teng Cheong
Senior Minister of State for Communications
Singapore

** The total number of flights carrying traffic between Hong Kong and any point in the United States shall be limited to no more than three combination and three all-cargo roundtrip flights per week until March 31, 1979, four combination and four all-cargo roundtrip flights per week between April 1, 1979, and March 31, 1980, and five combination and five all-cargo roundtrip flights per week thereafter.

*** If the Government of Singapore is unable to obtain traffic rights between Hong Kong and U.S. points on this route, consultations shall take place within 30 days of a request by Singapore for the purpose of substituting one of the following for Hong Kong: Thailand, Taiwan, the Philippines, or Korea.

[1] Signed by John H. Holdridge — Signé par John H. Holdridge.

II *a*

SENIOR MINISTER OF STATE
MINISTRY OF COMMUNICATIONS
SINGAPORE

Singapore, March 31, 1978

Excellency:

I have the honor to refer to the Air Transport Agreement between the Government of the Republic of Singapore and the Government of the United States of America signed today and your Note No. 162 dated today proposing an understanding that:

[*See note I* a]

I have the honor to confirm that the Government of the Republic of Singapore also accepts the understanding as stated in the aforesaid Note and agrees to your proposal that the aforesaid Note and this reply constitute an agreement between our two Governments which enters into force today.

Accept, Excellency, the assurances of my highest consideration.

[*Signed — Signé*] [1]

His Excellency John H. Holdridge
Ambassador of the United States of America

I *b*

EMBASSY OF THE UNITED STATES OF AMERICA
SINGAPORE

March 31, 1978

No. 163

Excellency:

I have the honor to refer to the Air Transport Agreement between the Government of the United States of America and the Government of the Republic of Singapore signed today and to propose, on behalf of my Government, the following understanding governing charter air services:

1. Each Government grants to the other Government rights necessary to conduct passenger and cargo charter air services between any point or points in one country and any point or points in the other country *(a)* without limitations on volume, frequency, or regularity of service; *(b)* without limitations on traffic access or movement; and *(c)* without the requirement for prior approval of individual flights or series of flights. The charterworthiness of flights will be determined by the rules of the country of traffic origin and prices will be established by charterers under the surveillance of the country of traffic origin.

2. Each Government may designate airlines to operate passenger and cargo charter flights between the two countries, and the other Government shall grant licenses to such airlines authorizing charter air services consistent with this understanding.

[1] Signed by Ong Teng Cheong — Signé par Ong Teng Cheong.

3. Rules and regulations governing the operation of charter air services performed by the designated airlines of both countries shall be applied on a non-discriminatory basis.

4. The following articles of the Air Transport Agreement shall apply, *mutatis mutandis,* to charter air services: 4, 5, 6, 7, 8, 11(B), 11(C), 11(D), 12, 13 and 14.

I have further the honor to propose that, if the foregoing understanding is acceptable to your Government, this Note and your reply to that effect constitute an agreement between our two Governments which enters into force on the date of your reply and which shall remain in force as long as the Air Transport Agreement remains in force.

Accept, Excellency, the renewed assurances of my highest consideration.

[*Signed — Signé*] [1]

His Excellency Ong Teng Cheong
Senior Minister of State for Communications
Singapore

II *b*

SENIOR MINISTER OF STATE
MINISTRY OF COMMUNICATIONS
SINGAPORE

Singapore, March 31, 1978

Excellency:

I have the honour to refer to the Air Transport Agreement between the Government of the Republic of Singapore and the Government of the United States of America signed today and to your Note No. 163 on charters dated today proposing the following understanding governing charter air services:

[*See note I* b]

I have the honour to confirm that the Government of the Republic of Singapore also accepts the understanding as stated in the aforesaid Note and agrees to your proposal that the aforesaid Note and this reply constitute an agreement between our two Governments which enters into force today and which shall remain in force so long as the Air Transport Agreement remains in force.

Accept, Excellency, the assurances of my highest consideration.

[*Signed—Signé*] [2]

His Excellency John H. Holdridge
Ambassador of the United States of America

[1] Signed by John H. Holdridge — Signé par John H. Holdridge.
[2] Signed by Ong Teng Cheong — Signé par Ong Teng Cheong.