

No. 18247

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
ITALY**

**Agreement for air services between and beyond their respective territories (with schedules and exchange of notes).
Signed at Rome on 22 November 1976**

Authentic texts: English and Italian.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 30 January 1980.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
ITALIE**

Accord relatif aux services aériens entre leurs territoires respectifs et au-delà (avec tableaux des routes et échange de notes). Signé à Rome le 22 novembre 1976

Textes authentiques : anglais et italien.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 30 janvier 1980.*

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE ITALIAN REPUBLIC FOR AIR SERVICES BETWEEN AND BEYOND THEIR RESPECTIVE TERRITORIES

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Italian Republic,

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

Desiring to conclude an agreement, for the purpose of regulating air services between and beyond their respective territories,

Have agreed as follows:

Article 1. DEFINITIONS

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

(a) The term "the Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on the seventh day of December, 1944, and includes any annex adopted under article 90 of that Convention and any amendment of the annexes or Convention under articles 90 and 94 thereof so far as those annexes and amendments have become effective for or been ratified by both Contracting Parties.

(b) The term "aeronautical authorities" means, in the case of the United Kingdom, the Secretary of State for Trade and any person or body authorised to perform a particular function to which this Agreement relates; and, in the case of the Italian Republic, the Ministero dei Trasporti—Direzione Generale dell'Aviazione Civile and any person or body authorised to perform a particular function to which this Agreement relates.

(c) The term "designated airline" means an airline which has been designated and authorised in accordance with article 4 of this Agreement.

(d) The term "territory" in relation to a State has the meaning assigned to it in article 2 of the Convention.

(e) The terms "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in article 96 of the Convention.

Article 2. APPLICABILITY OF CHICAGO CONVENTION

The provisions of this Agreement shall be subject to the provisions of the Convention insofar as those provisions are applicable to international air services.

¹ Came into force on 17 February 1979, the date of receipt of the last notification by which each Contracting Party informed the other of the completion of the required constitutional procedures, in accordance with article 14.

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. GRANT OF RIGHTS

(1) Each Contracting Party grants to the other Contracting Party the following rights in respect of its scheduled international air services:

- (a) The right to fly across its territory without landing;
- (b) While operating on the specified routes the right to make stops in its territory for non-traffic purposes.

(2) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement for the purpose of establishing scheduled international air services on the routes specified in the appropriate section of the schedule annexed to this Agreement. Such services and routes are hereafter called "the agreed services" and "the specified routes" respectively. While operating an agreed service on a specified route the airlines designated by each Contracting Party shall enjoy in addition to the rights specified in paragraph (1) of this article the right to make stops in the territory of the other Contracting Party at the points specified for that route in the schedule to this Agreement for the purpose of taking on board and discharging passengers and cargo including mail.

(3) Nothing in paragraph (2) of this article shall be deemed to confer on the airlines of one Contracting Party the privilege of taking on board, in the territory of the other Contracting Party, passengers and cargo including mail carried for hire or reward and destined for another point in the territory of the other Contracting Party.

Article 4. DESIGNATION OF AIRLINES

(1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the specified routes.

(2) On receipt of such designations the other Contracting Party shall, subject to the provisions of paragraphs (3) and (4) of this article, without delay grant to the airline or airlines so designated the appropriate operating authorisations.

(3) The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.

(4) Each Contracting Party shall have the right to refuse to grant the operating authorisations referred to in paragraph (2) of this article, or to impose such conditions as it may deem necessary on the exercise by a designated airline of the rights specified in article 3 of this Agreement, in any case where the said Contracting Party is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.

(5) When an airline has been so designated and authorised it may begin at any time to operate the agreed services, provided that a tariff established in accordance with the provisions of article 8 of this Agreement is in force in respect of those services.

Article 5. REVOCATION OR SUSPENSION OF OPERATING AUTHORISATIONS

(1) Each Contracting Party shall have the right to revoke an operating authorisation or to suspend the exercise of the rights specified in article 3 of this Agreement by an airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of these rights:

- (a) In any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in nationals of such Contracting Party; or
- (b) In the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting these rights; or
- (c) In case the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

(2) Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph (1) of this article is essential to prevent further infringements of laws or regulations, such rights shall be exercised only after consultation with the other Contracting Party.

Article 6. EXEMPTION FROM CHARGES ON EQUIPMENT, FUEL, STORES, ETC.

(1) Aircraft operated on international air services by an airline designated by a Contracting Party, as well as their regular equipment, spare parts, supplies of fuel and lubricants, and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from customs duties, inspection fees and any other duty or tax on arriving and on departing from the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported or are used on the part of the journey performed over that territory. Goods so exempted may be unloaded only with the approval of the Customs authorities of the other Contracting Party.

(2) There shall also be exempt from Customs duties, inspection fees, and any other duty or tax:

- (a) Regular equipment and aircraft stores introduced from abroad or of domestic production taken on board in the territory of a Contracting Party and for use or consumption on board outbound aircraft operated on an international air service by a designated airline of the other Contracting Party;
- (b) Spare parts to be used on aircraft operated on international air services by a designated airline of one Contracting Party when the parts are taken on board in the territory of the other Contracting Party after having been:
 - (i) Introduced by the same designated airline into the said territory; or
 - (ii) Supplied to the same designated airline by the domestic market; or
 - (iii) Supplied to the same designated airline by another airline enjoying the same exemptions;
- (c) Fuel and lubricants introduced from abroad or of domestic production supplied in the territory of a Contracting Party to outbound aircraft of a designated airline of the other Contracting Party engaged in international air services, even when these supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they have been taken on board.

(3) The regular equipment, as well as the materials and supplies enjoying the exemptions provided for in the preceding paragraphs, shall not be used or consumed for purposes other than international air services. Any goods not used or consumed in this way shall be re-exported, unless their transfer to another airline or their admission to home use and consumption is authorised in accordance with the laws and regulations in force in the territory of the Contracting Party concerned. Up to such time as they are used or otherwise disposed of, these goods may be required to be kept under Customs supervision and control.

(4) The exemptions set out in this Article shall be accorded without prejudice to the principle of reciprocity of treatment and shall be subject to compliance with the relevant formalities, limits and conditions applicable in accordance with the relevant laws and regulations in force in the territory of the Contracting Party granting the exemptions. These exemptions shall not apply to charges corresponding to the service performed.

Article 7. PRINCIPLES GOVERNING OPERATION OF AGREED SERVICES

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

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

(3) The agreed services provided by the designated airlines of the Contracting Parties shall bear close relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers and cargo including mail originating from or destined for the territory of the Contracting Party which has designated the airline. Provision for the carriage of passengers and cargo including mail both taken on board and discharged at points on the specified routes in the territories of States other than that designating the airline shall be made in accordance with the general principles that capacity shall be related to:

- (a) Traffic requirements to and from the territory of the Contracting Party which has designated the airline;
- (b) Traffic requirements of the area through which the agreed service passes, after taking account of other transport services established by airlines of the States comprising the area; and
- (c) The requirements of through airline operation.

Article 8. TARIFFS

(1) For the purpose of the following paragraphs, the term "tariff" means the prices to be paid for the carriage of passengers and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail.

(2) The tariffs to be charged by the airlines 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.

(3) The tariffs referred to in paragraph (2) of this article shall, if possible, be agreed by the designated airlines concerned of both Contracting Parties, after consultation with the other airlines operating over the whole or part of the route, and such agreement shall, whenever possible, be reached by the use of the procedures of the International Air Transport Association for the working out of tariffs.

(4) The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least ninety (90) days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities.

(5) This approval may be given expressly. If neither of the aeronautical authorities has expressed disapproval within thirty (30) days from the date of submission, in accordance with paragraph (4) of this article, these tariffs shall be considered as approved. In the event of the period for submission being reduced, as provided for in paragraph (4), the aeronautical authorities may agree that the period within which any disapproval must be notified shall be less than thirty (30) days.

(6) If a tariff cannot be agreed in accordance with paragraph (3) of this article, or if, during the period applicable in accordance with paragraph (5) of this article, one aeronautical authority gives the other aeronautical authority notice of its disapproval of a tariff agreed in accordance with the provisions of paragraph (3) of this article, the aeronautical authorities of the two Contracting Parties shall, after consultation with the aeronautical authorities of any other State whose advice they consider useful, endeavour to determine the tariff by mutual agreement.

(7) If the aeronautical authorities cannot agree on any tariff submitted to them under paragraph (4) of this article, or on the determination of any tariff under paragraph (6) of this article, the dispute shall be settled in accordance with the provisions of article (12) of this Agreement.

(8) A tariff established in accordance with the provisions of this article shall remain in force until a new tariff has been established.

Article 9. PROVISION OF STATISTICS

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

Article 10. TRANSFER OF EARNINGS

Each Contracting Party grants to the designated airlines of the other Contracting Party the right of free transfer of the excess of their receipts in its territory

over their expenditure therein. Such transfers shall be effected on the basis of the prevailing foreign exchange market rates for current payments.

Article 11. CONSULTATION

(1) In a spirit of close co-operation, the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with, the provisions of this Agreement and the annexed Schedule.

(2) If either of the Contracting Parties considers it desirable to modify the terms of this Agreement, it may at any time propose in writing such modification to the other Contracting Party. Consultations between the two Contracting Parties concerning such proposed modification may be either oral or in writing and shall unless otherwise agreed begin within a period of sixty days from the date of the request made by one of the Contracting Parties.

(3) In the event that either of the Contracting Parties considers it desirable to modify the annex of this Agreement such modification shall be agreed upon in consultation between the Aeronautical Authorities of the two Contracting Parties.

(4) Any modification to this Agreement or its annex in accordance with paragraphs 2 and 3 of this article shall come into effect when it has been confirmed by an Exchange of Notes through the diplomatic channels.

Article 12. SETTLEMENT OF DISPUTES

(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; if they do not so agree, the dispute shall at the request of either Contracting Party be submitted 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 so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute by such a tribunal, and the third arbitrator shall be appointed within a further period of sixty (60) 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 Organisation may at the request of either Contracting Party appoint an arbitrator or arbitrators as the case requires. In such case, the third arbitrator shall be a national of a third State and shall act as President of the arbitral tribunal.

(3) The Contracting Parties shall comply with any decision given under paragraph (2) of this article.

Article 13. TERMINATION

Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate this Agreement; such notice shall be simultaneously communicated to the International Civil Aviation Organisation. In such case the Agreement shall terminate twelve (12) months after the date of receipt

of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organisation.

Article 14. ENTRY INTO FORCE

Each Contracting Party shall notify the other Contracting Party of the completion of the constitutional procedures required for the entry into force of the present Agreement, which shall enter into force on the date of receipt of the last notification, and shall from that date replace the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Italian Republic relating to Air Services between their respective territories, signed at Rome on 25 June 1948.¹

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

DONE in duplicate at Rome this 22nd day of November 1976, in the English and Italian languages, both texts being equally authoritative.

For the Government
of the United Kingdom of Great
Britain and Northern Ireland:

ALAN CAMPBELL

For the Government
of the Italian Republic:

MARIO MONDELLO

[ANNEX]

SCHEDULE OF ROUTES

Section I. Routes to be operated by the airline or airlines designated by the Government of the United Kingdom

Mixed and cargo services

- (a) Points in the United Kingdom—Milan or Naples or Rome or Turin or Venice or Genoa;
- (b) London—Rome—Cyprus—Middle East—Afghanistan—Pakistan—India—Sri Lanka—Nepal—Burma—Thailand—Hong Kong—Shanghai—Peking—Tokyo.

NOTES. (1) Any point or points may be omitted on any or all flights provided that all services originate in United Kingdom territory.

(2) The use of the word "or" in the route schedule means that the points specified shall not be served by the same service but may be served simultaneously by separate services.

(3) On route (a) cargo services may be operated only to and from Milan or Rome or Turin.

¹ United Nations, *Treaty Series*, vol. 94, p. 239.

(4) No traffic rights may be exercised in either direction between Rome and Tokyo.

(5) On any one flight, Shanghai and/or Peking may be served before or after Hong Kong. If either is served before Hong Kong then neither can be served on the same flight after Hong Kong or vice versa.

SCHEDULE OF ROUTES

Section II. Routes to be operated by the airline or airlines designated by the Government of the Italian Republic

Mixed and cargo services

(a) Points in Italy—London or Birmingham or Edinburgh or Glasgow or Manchester;

(b) Rome—Athens—Cyprus—Middle East—Afghanistan—Pakistan—India—Sri Lanka—Nepal—Burma—Thailand—Saigon—Hong Kong—Shanghai—Peking—Tokyo.

NOTES. (1) Any point or points may be omitted on any or all flights provided that all services originate in Italian territory.

(2) The use of the word "or" in the route schedule means that the points specified shall not be served by the same service but may be served simultaneously by separate services.

(3) On route (a) cargo services may be operated only to and from London or Birmingham or Manchester.

(4) No traffic rights may be exercised in either direction between Athens and Hong Kong or between Saigon and Hong Kong.

(5) On any one flight, Shanghai and/or Peking may be served before or after Hong Kong. If either is served before Hong Kong, then neither can be served on the same flight after Hong Kong or vice versa.

EXCHANGE OF NOTES — ÉCHANGE DE NOTES

I

*Her Majesty's Ambassador at Rome to the Director General
of Economic Affairs of Italy*

Rome, 22 November 1976

Your Excellency,

I have the honour to refer to the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Italian Republic for Air Services between and beyond their Respective Territories, signed at Rome on 22nd November 1976 hereinafter referred to as the "Agreement" and to propose that the provisions regarding customs duties, inspection fees and other duties and taxes set out in article 6 of the Agreement, shall be applied by each Contracting Party to non-scheduled international air services by airlines of the other Contracting Party.

If this proposal is acceptable to the Government of the Italian Republic, I have the honour to propose that this Note and Your Excellency's reply to that effect shall constitute an agreement between the two Governments in this matter which shall enter into force on the same date as the Agreement.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

ALAN CAMPBELL

II

[ITALIAN TEXT — TEXTE ITALIEN]

Roma, 22 novembre 1976

Eccellenza,

Ho l'onore di accusare ricevuta della Sua nota in data odierna la cui traduzione in lingua italiana è del seguente tenore:

"Ho l'onore di riferirmi all'Accordo tra il Governo del Regno Unito di Gran Bretagna e dell'Irlanda del Nord e il Governo della Repubblica Italiana per i servizi aerei tra ed oltre i loro rispettivi territori, firmato a Roma il 22 novembre 1976, da qui innanzi indicato come "l'Accordo", e di proporre che le disposizioni relative ai dazi doganali, alle spese di ispezione e ad ogni diritto e tassa previsti dall'Art. 6 dell'Accordo saranno applicate da ciascuna Parte Contraente ai servizi aerei internazionali a domanda operati da imprese dell'altra Parte Contraente.

"Se questa proposta è accettabile da parte del Governo della Repubblica Italiana, ho l'onore di proporre che la presente lettera e la lettera di risposta

al riguardo di V.E. costituiranno un accordo tra i due Governi in questa materia che entrerà in vigore alla stessa data dell'Accordo.”

Ho l'onore di informare Vostra Eccellenza che il Governo Italiano concorda in merito a quanto precede.

Voglia gradire, Eccellenza, i sensi della mia più alta considerazione.

MONDELLO

[TRANSLATION¹ — TRADUCTION²]

*The Director General of Economic Affairs of Italy
to Her Majesty's Ambassador at Rome*

Rome, 22 November 1976

Your Excellency,

I have the honour to acknowledge receipt of your Note of today's date, the translation of which in the Italian language is as follows:

[*See note I*]

I have the honour to inform Your Excellency that the Italian Government is in agreement with the foregoing.

Please accept, Your Excellency, the assurance of my highest consideration.

MONDELLO

¹ Translation supplied by the Government of the United Kingdom.

² Traduction fournie par le Gouvernement du Royaume-Uni.