No. 24891

CANADA
and
YUGOSLAVIA

Air Transport Agreement (with annex and memorandum of understanding). Signed at Belgrade on 16 November 1984

Authentic texts: English, French and Serbo-Croatian.
Registered by Canada on 16 July 1987.

CANADA
et
YOUGOSLAVIE

Accord relatif au transport aérien (avec annexe et protocole d'entente). Signé à Belgrade le 16 novembre 1984

Textes authentiques : anglais, français et serbo-croate.
Enregistré par le Canada le 16 juillet 1987.

AIR TRANSPORT AGREEMENT[1] BETWEEN THE GOVERNMENT OF CANADA AND THE FEDERAL EXECUTIVE COUNCIL OF THE ASSEMBLY OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

The Government of Canada and the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia hereinafter referred to as the Contracting Parties, both having ratified the Convention on International Civil Aviation opened for signature at Chicago, on the 7th day of December, 1944,[2] and desiring to conclude an agreement on air transport between and beyond their respective territories have agreed on the following:

Article 1. For the purpose of this Agreement, unless otherwise stated:

(*a*) "Aeronautical Authorities" means, in the case of Canada, the Minister of Transport and the Canadian Transport Commission and, in case of the Socialist Federal Republic of Yugoslavia, the Federal Committee for Transportation and Communications, or, in both cases, any other authority or person empowered to perform the functions now exercised by the said authorities;

(*b*) "Agreed services" means scheduled air services on the routes specified in the Annex to this Agreement for the transport of passengers, cargo and mail, separately or in combination;

(*c*) "Agreement" means this Agreement, the Annex attached thereto and any amendments thereto;

(*d*) "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 been adopted by both Contracting Parties;

(*e*) "Designated airline" means an airline which has been designated and authorized in accordance with Article 3 of this Agreement;

(*f*) "Tariffs" means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for other services performed by the carrier in connection with the air transportation but excluding remuneration and conditions for the carriage of mail;

(*g*) "Territory", "Air Service", "International Air Service", "Airline" and "Stop for non-traffic purposes" have the meaning respectively assigned to them in Articles 2 and 96 of the Convention.

Article 2. 1. Each Contracting Party grants to the other Contracting Party the following rights for the conduct of air services by the designated airline or airlines:

[1] Came into force provisionally on 16 November 1984 by signature, and definitively on 21 March 1985, the date on which the Contracting Parties notified each other of the completion of the required internal procedures, in accordance with article 23.

[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; vol. 1008, p. 213, and vol. 1175, p. 297.

(*a*) To fly without landing across its territory;

(*b*) To make stops in its territory for non-traffic purposes; and

(*c*) To make stops in its territory at the points named on the routes specified in the Annex for the purpose of taking up and discharging international traffic in passengers, cargo and mail.

2. Nothing in paragraph 1 of this Article shall be deemed to confer on the airlines of one Contracting Party the privilege of taking up, in the territory of the other Contracting Party, passengers, cargo and mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

Article 3. 1. Each Contracting Party shall have the right to designate, by diplomatic note, an airline or airlines to operate the agreed services on any route specified in the Annex for such a Contracting Party and to substitute another airline for that previously designated.

2. Following receipt of a notice of designation pursuant to paragraph 1 of this Article the aeronautical authorities of the other Contracting Party shall, consistent with its laws and regulations, grant without delay to an airline so designated the appropriate authorizations to operate agreed services for which that airline has been designated.

3. Upon receipt of such authorizations the airline may begin at any time to operate the agreed services, partly or in whole, provided that the airline complies with the applicable provisions of the Agreement and the tariffs established in accordance with the provisions of Article 12 of this Agreement are in force in respect of such services.

Article 4. 1. The aeronautical authorities of each Contracting Party shall have the right to withhold the authorizations referred to in Article 3 with respect to an airline designated by the other Contracting Party, to revoke such authorizations or impose on them conditions, temporarily or permanently:

(*a*) In the event of failure by such airline to qualify before the aeronautical authorities of that Contracting Party under the laws and regulations applied by these authorities in conformity with the Convention;

(*b*) In the event of failure by such airline to comply with the laws and regulations of that Contracting Party;

(*c*) In the event that they are not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or its nationals; and

(*d*) In case the airline otherwise fails to operate in accordance with the conditions prescribed under this Agreement.

2. Unless immediate action is essential to prevent infringement of the laws and regulations referred to above, the rights enumerated in paragraph 1 of this Article shall be exercised only after consultations with the aeronautical authorities of the other Contracting Party. Unless otherwise agreed by the Contracting Parties, such consultations shall begin within a period of sixty (60) days from the date the other Contracting Party receives the request.

Article 5. 1. The laws, regulations and procedures of one Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air navigation or to the operation and navigation of such

aircraft shall be complied with by a designated airline of the other Contracting Party upon entrance into, departure from and while within the said territory.

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

3. Passengers in transit across the territory of either Contracting Party shall be subject to no more than a simplified control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.

Article 6. 1. Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Contracting Party and still in force, shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services on the routes specified in this Agreement, provided that such certificates or licences were issued or rendered valid pursuant to and in conformity with the standards established under the Convention. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flights above its own territory, certificates of competency and licences granted to its own nationals by the other Contracting Party.

2. If the privileges or conditions of the licences or certificates referred to in paragraph 1 above, issued by the aeronautical authorities of one Contracting Party to any person or designated airline or in respect of an aircraft operating the agreed services on the routes specified in this Agreement, should permit a difference from the standards established under the Convention, and which difference has been filed with the International Civil Aviation Organization, the aeronautical authorities of the other Contracting Party may request consultations with the aeronautical authorities of that Contracting Party with a view to satisfying themselves that the practice in question is acceptable to them. Failure to reach a satisfactory agreement in matters regarding flight safety will constitute grounds for the application of Article 4 of this Agreement.

Article 7. 1. The Contracting Parties agree to provide aid to each other with a view to preventing unlawful seizure of aircraft and other unlawful acts against the safety of aircraft, airports and air navigation facilities and any other threat to aviation security.

2. Each Contracting Party agrees to observe the security provisions required by the other Contracting Party for entry into the territory of the other Contracting Party and to take adequate measures to inspect passengers and their carry-on items. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for special security measures for its aircraft or passengers to meet a particular threat.

3. The Contracting Parties shall act consistently with applicable aviation security provisions established by the International Civil Aviation Organization identified as the International Standards and Recommended Practices on Security and designated as Annex 17 to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties. Should a Contracting Party depart from such provisions, the aeronautical authorities of the other Contracting Party may request consultations with the aeronautical authorities of that Contracting Party. Failure to reach a satisfactory

agreement will constitute grounds for the application of Article 4 of this Agreement.

4. The Contracting Parties shall act in conformity with the provisions of the Convention on Offences and certain other Acts Committed on Board Aircraft, signed at Tokyo on September 14, 1963,[1] the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on December 16, 1970,[2] and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on September 23, 1971.[3]

5. When an incident, or threat of an incident, of unlawful seizure of aircraft or other unlawful acts against the safety of aircraft, airports and air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications intended to terminate rapidly and safely such incident or threat thereof.

Article 8. 1. Each Contracting Party may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control, provided that such charges shall not be higher than the charges imposed upon all other aircraft engaged in similar international services.

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

3. Each Contracting Party shall encourage consultations between its competent charging authorities and the designated airlines using the services and facilities, and where practicable, through the airlines' representative organizations. Reasonable notice should be given to users of any proposal for changes in user charges to enable them to express their views before changes are made.

Article 9. 1. There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate the agreed services on the routes specified in the Annex.

2. In operating the agreed services, the airline of each Contracting Party shall take into account the interest of the airlines of the other Contracting Party so as not to affect unduly the services which the latter provides on the whole or part of the same route.

3. The agreed services provided by the designated airlines of the Contracting Parties shall bear reasonable relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objectives the provision, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail between the territories of the Contracting Parties.

4. Provision for the carriage of passengers, cargo and mail both taken up and discharged at points on the specified routes in the territories of States other

[1] United Nations, *Treaty Series*, vol. 704, p. 219.
[2] *Ibid.*, vol. 860, p. 105.
[3] *Ibid.*, vol. 974, p. 177.

than that designating the airline shall be made in accordance with the general principle 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 airline 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.

5. The capacity to be provided on the specified routes, i.e. frequency of services and type of aircraft, shall be agreed in advance between the designated airlines in accordance with the principles laid down in this Article, and subject to the approval of the aeronautical authorities of the Contracting Parties. In the absence of an agreement between the designated airlines, the matter shall be referred to the aeronautical authorities of the Contracting Parties which will endeavour to resolve the problem pursuant to Article 17 of this Agreement. Pending an arrangement either at the airline level or between the aeronautical authorities, the status quo shall be maintained.

Article 10. 1. The aeronautical authorities of both Contracting Parties shall provide each other with monthly statements of statistics on a quarterly calendar basis, including all information required to determine the amount of traffic carried over the routes specified in the Annex to this Agreement and the initial origins and final destinations of such traffic.

2. The details of the statistical data to be provided and the methods by which such data shall be provided by one Party to the other shall be agreed upon between the aeronautical authorities and implemented no later than three (3) months after the designated airline of one or both of the Contracting Parties commences operations, in whole or in part, of agreed services.

3. Failure to reach a satisfactory agreement regarding the supply of statistics may, at the discretion of either Contracting Party, constitute grounds for the application of Article 17 of this Agreement.

Article 11. 1. Each Contracting Party shall on a basis of reciprocity 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 aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, stores and other items intended for use or used solely in connection with the operation or servicing of aircraft of the designated airline or airlines of such other Contracting Party operating the agreed services, as well as the usual publicity material distributed without charge by that designated airline or airlines.

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

(*a*) Introduced into the territory of one Contracting Party by or on behalf of the designated airline or airlines of the other Contracting Party;

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

(*c*) Taken on board aircraft of the designated airline or airlines of one Contracting Party in the territory of the other Contracting Party and intended for use in operating the agreed services;

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

3. The regular aircraft equipment and spare parts retained on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the Customs authorities of that Contracting Party. In such case this material shall be placed under supervision of the said authorities until it is loaded on board aircraft and is leaving the territory of that Contracting Party or is otherwise disposed of in accordance with Customs regulations.

Article 12. 1. The tariffs for carriage on agreed services to and 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, characteristics of service (such as standards of speed and accommodation) and, where it is deemed suitable, the tariffs of other airlines for any part of the specified route.

2. The tariffs referred to in paragraph 1 of this Article shall be agreed upon between the designated airlines of the Contracting Parties; such agreement shall be reached, whenever possible, through the international tariff coordination mechanism of the International Air Transport Association. Unless otherwise determined in the application of paragraph 4 of this Article, each designated airline shall be responsible only to its aeronautical authorities for the justification and reasonableness of the tariffs so agreed.

3. The tariffs so agreed shall be submitted to the aeronautical authorities of the Contracting Parties at least forty-five (45) days before the proposed date of their introduction; in special cases, a shorter period may be accepted by the aeronautical authorities. If within thirty (30) days from the date of submission the aeronautical authorities of one Contracting Party have not notified the aeronautical authorities of the other Contracting Party that they are dissatisfied with the tariff submitted to them, such tariff shall be considered to be acceptable and shall come into effect on the expiration of the forty-five (45) day period mentioned above. In the event that a shorter period for the submission of a tariff is accepted by the aeronautical authorities, they may also agree that the period for giving notice of dissatisfaction be less than thirty (30) days.

4. If a tariff cannot be established in accordance with the provision of paragraph 2 above, or, if during the period applicable in accordance with paragraph 3 above a notice of dissatisfaction has been given, the aeronautical authorities of the Contracting Parties shall endeavour to determine the tariff by agreement between themselves.

5. If the aeronautical authorities cannot agree on any tariff submitted to them under paragraph 3 of this Article or on the determination of any tariff under paragraph 4, the dispute shall be settled in accordance with the provisions of Article 19 of the present Agreement.

6. (*a*) No tariff shall come into force if the aeronautical authorities of either Contracting Party are dissatisfied with it except under the provisions of paragraph 3 of Article 19 of the present Agreement.

(*b*) When tariffs have been established in accordance with the provisions of this Article, those tariffs shall remain in force until new tariffs have been established in accordance with the provisions of this Article.

7. If the aeronautical authorities of one of the Contracting Parties become dissatisfied with an established tariff, they shall so notify the aeronautical authorities of the other Contracting Party and the designated airlines shall attempt, where required, to reach an agreement. If within the period of ninety (90) days from the day of receipt of such notification a new tariff cannot be established in accordance with the provisions of paragraphs 2 and 3 of this Article, the procedures as set out in paragraphs 4 and 5 of this Article shall apply.

8. The competent authorities of both Contracting Parties shall endeavour to ensure that (A) the tariffs charged and collected conform to the tariffs accepted by both aeronautical authorities and (B) no airline rebates any portion of such tariffs by any means.

Article 13. 1. 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, at its discretion through its agents, in conformity with national law of that Contracting Party.

2. Each designated airline shall have the right to convert and remit to its country on demand funds obtained in the normal course of its operations. Conversion and remittance shall be permitted without restrictions at the foreign exchange market rates for current payments prevailing in the country where conversion is effected at the time of submission of the request for transfer and shall not be subject to any charges except normal service charges collected by banks for such transactions.

Article 14. The designated airline or airlines of each Contracting Party shall be granted on the basis of reciprocity, the right to station representatives and staff required for the operation of the agreed services in the territory of the other Contracting Party. Such representatives and staff shall be nationals of Canada and the Socialist Federal Republic of Yugoslavia and their location and number shall be agreed upon through consultations between the designated airlines of both Contracting Parties and shall be subject to the approval of the competent authorities of both Contracting Parties. Such representatives and staff shall observe the laws and regulations in force of the other Contracting Party.

Article 15. 1. The crew members of the designated airline or airlines of either Contracting Party flying on the specified route shall be citizens of their respective countries. In case the designated airline or airlines of one Contracting Party deem it desirable to utilize crew members of other nationalities including landed immigrants for the operation of agreed services, it or they can do so after approval of the aeronautical authorities of the other Contracting Party.

2. The crews of the designated airline or airlines of one Contracting Party shall, on the basis of reciprocity and as scheduling of the agreed services requires, be permitted temporary sojourn in the territory of the other Contracting Party.

Article 16. The provisions set out in Articles 5, 6, 7, 8, 11, 13, 14, 15 of this Agreement shall be applicable also to charter and other non-scheduled flights operated by an airline of one Contracting Party into or from the territory of the other Contracting Party in accordance with the respective regulations of this latter Contracting Party, and to the airline operating such flights.

Article 17. 1. In a spirit of close cooperation, 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 Annex.

2. Such consultations shall begin within a period of sixty (60) days of the date of receipt of such a request, unless otherwise agreed.

Article 18. If either of the Contracting Parties considers it desirable to modify any provision of this Agreement, it may request consultations with the other Contracting Party. Such consultations, which may be between aeronautical authorities and which may be through discussion or by correspondence, shall begin within a period of ninety (90) days of the date of receipt of the request. Any modification agreed pursuant to such consultations shall come into force when it has been confirmed by an exchange of diplomatic notes. .

Article 19. 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 negotiations.

2. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body, or either Contracting Party may submit the dispute for decision to a Tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two arbitrators. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (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 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 Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. If the President of the Council of the International Civil Aviation Organization is a national of either Contracting Party, the Vice-President of that Council, who is a national of a third State, may be requested to designate the above mentioned arbitrators. In all cases, the third arbitrator shall be a national of a third State, shall act as President of the Tribunal and shall determine the place where arbitration will be held.

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

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

Article 20. Either Contracting Party may at any time give notice in writing through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement; such notice shall be communicated simultaneously to

the International Civil Aviation Organization. The Agreement shall terminate one (1) year after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article 21. The present Agreement and any admendment thereto shall be registered with the International Civil Aviation Organization.

Article 22. In the event of a general multilateral air convention accepted by the Contracting Parties entering into force, the provisions of such convention shall prevail. Any discussions with a view to determining the extent to which the present Agreement is terminated, superseded, amended or supplemented by the provisions of the multilateral convention, shall take place in accordance with Article 17 of the present Agreement.

Article 23. The Agreement will be provisionally applied from the date of its signature and shall enter into force on the date when the Contracting Parties will have notified each other by exchange of notes that they have obtained whatever internal approval may be required to give effect to this Agreement.

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

DONE in two copies at Belgrade this sixteenth day of November of the year one thousand nine hundred and eighty-four in the English, French and Serbo-Croatian languages, each version being equally authentic.

For the Government of Canada:

[*Signed*][1]

For the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia:

[*Signed*][2]

[1] Signed by James Kelleher.
[2] Signed by Mustafa Pljakic.

ANNEX

SECTION 1

The following route may be operated by an airline(s) designated by the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia:

Points of Departure	*Intermediate Points* (3) (4) (6)	*Destination* (1) (2)	*Points Beyond* (3) (5) (6)
Points in Yugoslavia	One point in Europe to be named by Yugoslavia	Montreal Toronto	One point in the United States to be named by Yugoslavia

(1) A commercial agreement, including provision for revenue sharing, and subject to the approval of the aeronautical authorities of Canada, shall be required between the designated airlines while service remains on a single track basis. The airlines shall agree to any necessary changes in the forms of commercial co-operation on initiation of double track service.

(2) Service to Toronto shall be subject to the special conditions related to exemption from the moratorium on access of new foreign carriers to the Lester B. Pearson International Airport on scheduled services.

(3) No fifth freedom rights shall apply on service between the intermediate point and Canada or on service between Montreal and the USA point beyond. Own stop-over privileges apply at Montreal.

(4) The point named shall not include the Netherlands, Italy, Portugal, Spain or Greece.

(5) The USA point beyond shall not be served on any flight that includes service at Toronto.

(6) The intermediate point and the USA point beyond may be changed every six months on sixty days' notice to the aeronautical authorities of Canada.

SECTION 2

The following route may be operated by an airline(s) designated by the Government of Canada:

Points of Departure	*Intermediate Points* (1) (2) (3)	*Destination*	*Points Beyond* (1) (2) (3)
Points in Canada	Points to be named by Canada	Belgrade Zagreb	Points to be named by Canada

(1) Points named shall not include the Netherlands, Italy, Portugal, Spain or Greece.

(2) Points named may be changed every six months on sixty days' notice to the aeronautical authorities of Yugoslavia.

(3) The total number of intermediate and beyond points named at any one time shall not exceed five.

MEMORANDUM OF UNDERSTANDING

The Government of Canada and the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia have established the following understandings with respect to the Agreement on Air Transport between the Government of Canada and the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia:

1. Income or profits from the operation of aircraft in international traffic derived by an airline, which is resident for purposes of income taxation in the territory of one Contracting Party, shall, on the basis of reciprocity, be exempt from any income tax and all other taxes on profits imposed by the government of the other Contracting Party. In the event a comprehensive agreement is concluded between the two countries on avoidance of double taxation that also includes provision on the taxation of air transport, the two Contracting Parties shall consult with a view to determining the extent to which the above understanding is terminated, superseded, amended or supplemented by such comprehensive agreement.

2. The Contracting Parties have agreed as follows with respect to initial levels of frequency and capacity. Initial service shall be equivalent to three flights weekly of DC-10 type aircraft during the summer season (April 1 to October 31) and equivalent to two flights weekly of DC-10 type aircraft during the winter season (November 1 to March 31). Commencing April 1, 1985, frequencies may be increased by the equivalent of one flight weekly of DC-10 type aircraft over the initial levels of service in each of the summer and winter seasons until March 31, 1986 at which time service levels shall, unless otherwise agreed, revert to the initial levels. The Contracting Parties may, at any time, agree to different levels of service in accordance with the provisions of Article 9, paragraph 5 of the Agreement. The status quo for the purposes of that Article shall remain at three flights weekly in the summer season and two flights weekly in the winter season until such time as agreement is reached on different levels of service.

For the Government of Canada:	For the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia:
[*Signed*]	[*Signed*]
JAMES KELLEHER	MUSTAFA PLJAKIC