

No. 25996

**SWITZERLAND
and
PARAGUAY**

**Airline Traffic Agreement (with annex). Signed at Asunción
on 5 June 1985**

Authentic texts: French and Spanish.

Registered by Switzerland on 22 June 1988.

**SUISSE
et
PARAGUAY**

**Accord relatif au trafic aérien de lignes (avec annexe). Signé
à Asunción le 5 juin 1985**

Textes authentiques : français et espagnol.

Enregistré par la Suisse le 22 juin 1988.

[TRANSLATION — TRADUCTION]

AIRLINE TRAFFIC AGREEMENT¹ BETWEEN THE SWISS CONFEDERATION AND THE REPUBLIC OF PARAGUAY

Switzerland and the Republic of Paraguay being Parties to the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944,²

For the purpose of developing international co-operation in the field of air transport, and

For the purpose of laying the necessary groundwork for operating scheduled air services,

The Swiss Federal Council and the Government of the Republic of Paraguay have designated their plenipotentiaries who, being duly authorized for that purpose, have agreed as follows:

Article 1. DEFINITIONS

1. For the purpose of this Agreement and its annex:

(a) The term "Convention" shall mean the Convention on International Civil Aviation opened for signature at Chicago on 7 December 1944 and shall include any annex adopted under article 90 of that Convention and any amendment to the annexes or to the Convention under articles 90 and 94, in so far as such annexes and amendments are in effect for both Contracting Parties;

(b) The term "aeronautical authorities" shall mean, in the case of Switzerland, the Federal Office of Civil Aviation and, in the case of the Republic of Paraguay, the Civil Aviation Department of the Ministry of National Defence or, in both cases, any person or agency authorized to perform the functions currently assigned to those authorities;

(c) The term "designated airline" shall mean an airline which one Contracting Party has designated, in accordance with article 6 of this Agreement, for the operation of the agreed air services;

(d) The term "tariff" shall mean the prices that must be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including commissions and additional remuneration for the issue or sale of transport tickets, but excluding remuneration and conditions for the carriage of mail.

2. The annex to this Agreement shall form an integral part thereof. Any reference to the Agreement shall also include the annex, except where expressly provided otherwise.

¹ Came into force provisionally on 5 June 1985 by signature, and definitively on 6 November 1987, the date on which the Contracting Parties notified each other (on 1 October 1985 and 6 November 1987) of the completion of their constitutional formalities, in accordance with article 22.

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.

Article 2. GRANTING OF RIGHTS

1. Each Contracting Party shall grant the other Contracting Party the rights specified in this Agreement for the purpose of operating air services on the routes specified in the schedules appearing in the annex. Such services and routes shall hereinafter be called "agreed services" and "specified routes".

2. Subject to the provisions of this Agreement, the designated airline of each Contracting Party shall, in operating international air services, have the right:

- (a) To fly over the territory of the other Contracting Party without landing;
- (b) To make stops in that territory for non-traffic purposes;
- (c) To take on and discharge in that territory, at the points specified in the annex to this Agreement, passengers, baggage, cargo and mail destined for or coming from points in the territory of the other Contracting Party;
- (d) To take on and discharge in the territory of third countries, at the points specified in the annex to this Agreement, passengers, baggage, cargo and mail destined for or coming from points in the territory of the other Contracting Party specified in the annex to this Agreement.

3. Nothing in this article shall confer on the designated airline of one Contracting Party the right to take on in the territory of the other Contracting Party, in return for payment, passengers, baggage, cargo and mail destined for another point in the territory of that Contracting Party.

4. If, because of armed conflict, political disturbance or special and unusual circumstances, the designated airline of one Contracting Party is unable to operate a service on its normal routes, the other Contracting Party shall endeavour to facilitate continued operation of that service by re-establishing such routes by whatever means are appropriate, including the granting for such period of any rights that may be necessary to facilitate their viable operation.

Article 3. EXERCISE OF RIGHTS

1. The designated airlines shall have fair and equal opportunities to operate the agreed services between the territories of the Contracting Parties.

2. The designated airline of each Contracting Party shall take into consideration the interests of the designated airline of the other Contracting Party, so as not to affect unduly the agreed services of the latter airline.

3. The main purpose of the agreed services shall be to provide transport capacity commensurate with traffic demand between the territory of the Contracting Party which designated the airline and the points served on the specified routes.

4. The right of each of the designated airlines to carry international traffic between the territory of the other Contracting Party and the territories of third countries shall be exercised in conformity with the general principles of normal development to which both Contracting Parties subscribe, subject to the condition that capacity is adjusted:

- (a) To traffic demand from and to the territory of the Contracting Party which designated the airline;

- (b) To traffic demand in the regions through which the service passes, taking into account local and regional services;
- (c) To the requirements of economic operation of the agreed services.

5. Neither Contracting Party shall have the right to restrict unilaterally the operation of the designated airline of the other Contracting Party, save according to the terms of this Agreement or subject to uniform conditions as provided for in the Convention.

Article 4. APPLICATION OF LAWS AND REGULATIONS

1. The laws and regulations of one Contracting Party governing, in its territory, the entry and departure of aircraft engaged in international air navigation, or flights by such aircraft over that territory, shall apply to the designated airline of the other Contracting Party.

2. The laws and regulations of one Contracting Party governing, in its territory the entry, stay and departure of passengers, crew, baggage, cargo or mail, such as those concerning entry, departure, emigration and immigration formalities, customs, and health measures, shall apply to passengers, crew, baggage, cargo or mail carried by the aircraft of the designated airline of the other Contracting Party while they are in that territory.

3. Neither Contracting Party shall have the right to grant any preferences to its own airline as compared with the designated airline of the other Contracting Party in applying the laws and regulations referred to in this article.

Article 5. AVIATION SAFETY

The Contracting Parties agree to give each other all possible assistance with a view to preventing aircraft hijackings and acts of sabotage against aircraft, airports and air navigation facilities, as well as threats to aviation safety. They shall take into consideration the security provisions laid down by the International Civil Aviation Organization. If incidents or threats of hijacking or of sabotage against aircraft, airports or air navigation facilities occur, the Contracting Parties shall assist each other by facilitating the communication of measures designed to put a speedy, safe end to such incidents or threats rapidly and safely. Each Contracting Party shall give favourable consideration to any request by the other Contracting Party that it take special security measures for its aircraft or passengers with a view to meeting a particular threat.

Article 6. DESIGNATION AND OPERATING AUTHORIZATION

1. Each Contracting Party shall have the right to designate one airline for the operation of the agreed services. The aeronautical authorities of the two Contracting Parties shall give each other written notification of such designation.

2. Subject to the provisions of paragraphs 3 and 4 of this article, aeronautical authorities which have received notification of such designation shall grant to the designated airline of the other Contracting Party without delay the necessary operating authorization.

3. The aeronautical authorities of one Contracting Party may require the designated airline of the other Contracting Party to prove that it is able to fulfil the conditions laid down by the laws and regulations normally applied by those

authorities to the operation of international air services in conformity with the provisions of the Convention.

4. Each Contracting Party shall have the right to withhold the operating authorization provided for in paragraph 2 of this article, or to impose such conditions as it deems necessary for the exercise of the rights specified in article 2 of this Agreement, when that Contracting Party does not have proof that majority ownership and effective control of the airline are vested in the Contracting Party designating the airline or in its nationals.

5. Once it has received the operating authorization provided for in paragraph 2 of this article, the designated airline may operate any agreed service at any time, provided that a tariff established in accordance with the provisions of article 14 of this Agreement is in effect.

Article 7. REVOCATION AND SUSPENSION OF THE OPERATING AUTHORIZATION

1. Each Contracting Party shall have the right to revoke an operating authorization, to suspend the exercise of the rights specified in article 2 of this Agreement by the designated airline of the other Contracting Party or to impose, such conditions as it may deem necessary on the exercise of such rights, if:

- (a) The airline cannot prove that majority ownership and effective control thereof are vested in the Contracting Party designating the airline or in its nationals;
- (b) The airline has failed to comply with or has seriously infringed the laws and regulations of the Contracting Party that granted these rights; or
- (c) The airline fails to operate the agreed services in accordance with the conditions laid down by this Agreement.

2. This right shall be exercised only after consulting the other Contracting Party, unless revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this article are required immediately in order to avoid further infringements of laws and regulations.

Article 8. RECOGNITION OF CERTIFICATES AND LICENCES

1. Certificates of airworthiness, certificates of competency and licences issued or validated by one of the Contracting Parties shall be recognized as valid by the other Contracting Party for the period of their validity.

2. Each Contracting Party reserves the right, however, to refuse to recognize as valid, for flights over its own territory, certificates of competency and licences issued to its own nationals or validated by the other Contracting Party or by any other State.

Article 9. EXEMPTION FROM DUTIES AND TAXES

1. Aircraft operated on international services by the designated airline of one Contracting Party, as well as their normal equipment, supplies of fuel and lubricants and aircraft stores, including food, beverages and tobacco, shall on entering the territory of the other Contracting Party, be exempt from all duties or taxes, provided that such equipment, supplies and stores remain on board the aircraft until they are re-exported.

2. The following shall also be exempt from duties and taxes other than fees charged for services rendered:

- (a) Aircraft stores taken on board in the territory of one Contracting Party, within the limits fixed by the authorities of that Contracting Party, and intended for use on board aircraft operated on international services by the designated airline of the other Contracting Party;
- (b) Spare parts and normal on-board equipment imported into the territory of one Contracting Party for the maintenance or repair of aircraft operated on international services;
- (c) Fuel and lubricants intended to supply aircraft operated on international services by the designated airline of one Contracting Party, even when these supplies must be used on the part of the flight made over the territory of the Contracting Party in which they were taken on board.

3. Normal on-board equipment and goods and supplies kept on board aircraft operated by the designated airline of one Contracting Party may be unloaded in the territory of the other Contracting Party only with the consent of the customs authorities of that territory. In such cases, they may be placed under the supervision of those authorities until they are re-exported or otherwise disposed of in accordance with customs regulations.

4. The exemptions provided for in this article shall also apply when the designated airline of one Contracting Party has concluded agreements with one or more airlines regarding the hire or transfer, in the territory of the other Contracting Party, of the articles specified in paragraphs 1 and 2 of this article, provided that those airlines are also granted such exemptions by the other Contracting Party.

Article 10. DIRECT TRANSIT

Passengers, baggage and cargo who are in direct transit through the territory of one Contracting Party and do not leave the area of the airport reserved for that purpose shall be subject at most to very simplified control. Baggage and cargo in direct transit shall be exempt from taxes and duties, including customs duties.

Article 11. USER CHARGES

1. Each Contracting Party shall endeavour to ensure that the user charges which are or may be imposed by its competent authorities on the designated airline of the other Contracting Party are fair and reasonable. These charges shall be based on sound economic principles.

2. The charges paid for the use of the airports and air navigation facilities and services offered by one Contracting Party to the designated airline of the other Contracting Party shall not be higher than those which must be paid by domestic aircraft operating on scheduled international services.

Article 12. COMMERCIAL ACTIVITIES

1. The designated airline of one Contracting Party shall have the right to maintain appropriate agencies in the territory of the other Contracting Party. Such agencies may include commercial, operational and technical staff, either transferred or locally recruited.

2. For commercial activity, the principle of reciprocity shall apply. The competent authorities of each Contracting Party shall provide agencies of the

designated airline of the other Contracting Party with the support they need to operate efficiently.

3. In particular, each Contracting Party shall grant the designated airline of the other Contracting Party the right to sell air tickets in its territory directly and, at the airline's discretion, through its agents. Each airline shall have the right to sell such air tickets, and any person shall be free to purchase them, in the currency of that territory or in freely convertible currencies of other countries.

Article 13. CONVERSION AND TRANSFER OF REVENUES

Each designated airline shall have the right to convert and transfer to its own country, subject to the laws and regulations in force, any surplus of revenues over local expenditures deriving from the carriage of passengers, baggage, cargo and mail. If payments between the Contracting Parties are governed by a special agreement, this special agreement shall apply.

Article 14. TARIFFS

1. The tariffs which each designated airline shall apply for carriage from or to the territory of the other Contracting Party shall be established at reasonable levels, taking into account all determining factors, including operating costs, reasonable profit, the characteristics of each service and the tariffs charged by other airlines.

2. The tariffs referred to in paragraph 1 of this article shall, if possible, be established by mutual agreement between the designated airlines of the two Contracting Parties and after consulting the other airlines operating over all or part of the same route. To this end, the designated airlines shall, wherever possible, apply the tariff fixing procedure established by the international agency which makes proposals in this matter.

3. The tariffs thus established shall be submitted to the aeronautical authorities of the other Contracting Party for approval at least 60 days before the date on which they are scheduled to go into effect. In special cases, this time-limit may be reduced, subject to the agreement of the aforesaid authorities. If neither of the aeronautical authorities gives notice, within 30 days following the date of submission, that it does not approve the tariffs, they shall be considered approved.

4. If the designated airlines cannot agree, or if the tariffs are not approved by the aeronautical authorities of one Contracting Party, the aeronautical authorities of the two Contracting Parties shall endeavour to establish the tariffs by mutual agreement. These negotiations shall begin 30 days after it has been clearly established that the designated airlines cannot agree or after the aeronautical authorities of one Contracting Party have notified the aeronautical authorities of the other Contracting Party that they do not approve the tariffs.

5. If no agreement is reached, the dispute shall be submitted to the procedure provided for in article 18 below.

6. Already established tariffs shall remain in effect until new tariffs have been fixed in accordance with the provisions of this article or article 18 of this Agreement but no later than 12 months from the day on which the aeronautical authorities of one of the Contracting Parties refused to give its approval.

7. The aeronautical authorities of each Contracting Party shall endeavour to ensure that the designated airlines adhere to the tariffs fixed and communicated to the aeronautical authorities of the Contracting Parties and that no airline either directly or indirectly by whatever means, reduces these tariffs illegally.

Article 15. APPROVAL OF FLIGHT SCHEDULES

1. The designated airline of one Contracting Party shall submit its flight schedules to the aeronautical authorities of the other Contracting Party for approval at least 30 days before operation of the agreed services begins. The same regulations shall also apply to any subsequent change in flight schedules.

2. The designated airline of one Contracting Party must request authorization from the aeronautical authorities of the other Contracting Party for any non-scheduled flights it wishes to operate on the agreed services in addition to the approved flight schedules. As a general rule, such request must be made at least two business days before the flight begins.

Article 16. STATISTICS

The aeronautical authorities of the two Contracting Parties shall supply each other, on request, with periodic statistics or other similar information on traffic on the agreed services.

Article 17. CONSULTATION

Each Contracting Party may, at any time, request consultations on any problem relating to this Agreement. Such consultations shall begin within 60 days from the date on which the other Contracting Party received the request, unless the Contracting Parties have agreed otherwise.

Article 18. SETTLEMENT OF DISPUTES

1. Any dispute concerning this Agreement which cannot be settled by direct negotiation or through the diplomatic channel shall be submitted, at the request of either Contracting Party, to an arbitral tribunal.

2. In such cases, each Contracting Party shall appoint an arbitrator and the two arbitrators shall appoint a chairman who shall be a national of a third State. If, within two months after one of the Contracting Parties has appointed its arbitrator, the other Contracting Party does not appoint its arbitrator or if, in the month following the appointment of the second arbitrator, the two arbitrators do not agree on the choice of a chairman, each Contracting Party may request the President of the Council of the International Civil Aviation Organization to make the necessary appointments.

3. The arbitral tribunal shall determine its own procedure and shall decide on the apportionment of the expenses resulting from that procedure.

4. The Contracting Parties shall abide by any decision issued pursuant to this article.

Article 19. AMENDMENTS

1. If one of the Contracting Parties deems it desirable to amend any provision of this Agreement, such amendment, provided that it is agreed between the Contracting Parties, shall apply provisionally from the date of its signature and

shall enter into force as soon as the Contracting Parties have notified each other of completion of their constitutional formalities.

2. Amendments to the annex to this Agreement may be agreed directly between the aeronautical authorities of the Contracting Parties. They shall apply provisionally from the date on which they are agreed and shall enter into force once they have been confirmed by an exchange of diplomatic notes.

3. In the event of the conclusion of a general multilateral convention on air transport which becomes binding on both Contracting Parties, this Agreement shall be amended to bring it into line with the provisions of that convention.

Article 20. TERMINATION

1. Each Contracting Party may, at any time, notify the other Contracting Party in writing of its decision to terminate this Agreement. Such notification shall be communicated simultaneously to the International Civil Aviation Organization.

2. The Agreement shall terminate at the end of the scheduled period. A period of 12 months must have elapsed since the date of receipt of notification, unless the decision to terminate is withdrawn by mutual agreement before this period expires.

3. If the other Contracting Party fails to acknowledge receipt of notification, the notification shall be deemed to have been received 14 days after the date on which the International Civil Aviation Organization received notice thereof.

Article 21. REGISTRATION WITH ICAO

This Agreement and any subsequent amendment shall be registered with the International Civil Aviation Organization.

Article 22. ENTRY INTO FORCE

This Agreement shall apply provisionally from the date of its signature. It shall enter into force when the Contracting Parties have notified each other of completion of their constitutional formalities governing the conclusion and entry into force of international agreements.

IN WITNESS WHEREOF the plenipotentiaries of the two Contracting Parties have signed this Agreement.

DONE at Asunción on 5 June 1985, in two copies in the French and Spanish languages, both texts being equally authentic.

For the Swiss Federal Council:

[Signed]

LOUIS ALLENBACH
Chargé d'affaires a.i.

For the Government
of the Republic of Paraguay:

[Signed]

CARLOS AUGUSTO SALDIVAR
Minister for Foreign Affairs

[Signed]

Major General GASPAR GERMÁN
MARTINEZ
Minister for National Defence

ANNEX

ROUTE SCHEDULES

Schedule I

Routes on which the designated airline of Switzerland may operate air services:

<i>Points of departure</i>	<i>Intermediate points</i>	<i>Points in Paraguay</i>	<i>Points beyond Paraguay</i>
Points in Switzerland	—	Asunción or Ciudad Presidente Stroessner	—

Schedule II

Routes on which the designated airline of Paraguay may operate air services:

<i>Points of departure</i>	<i>Intermediate points</i>	<i>Points in Switzerland</i>	<i>Points beyond Switzerland</i>
Points in Paraguay	—	Zurich or Geneva or Basel	—

NOTES. 1. Points on the specified routes may, at the option of the designated airlines, be omitted on some or all flights.

2. Points on the specified routes need not necessarily be served in the order indicated, provided that the service in question is operated on a reasonably direct route.

3. Each designated airline may terminate any of the agreed services in the territory of the other Contracting Party.

4. Each designated airline may serve points that are not mentioned, provided that traffic rights are not exercised between those points and the territory of the other Contracting Party.