No. 33137

ISRAEL
and
LATVIA

Air Transport Agreement (with annex). Signed at Jerusalem on 3 November 1993

Authentic texts: Hebrew, Latvian and English.

Registered by Israel on 11 September 1996.

ISRAËL
et
LETTONIE

Accord relatif aux transports aériens (avec annexe). Signé à Jérusalem le 3 novembre 1993

Textes authentiques : hébreu, lettonien et anglais.

Enregistré par Israël le 11 septembre 1996.

AIR TRANSPORT AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE STATE OF ISRAEL AND THE GOVERNMENT OF THE REPUBLIC OF LATVIA

The Government of the State of Israel, and

The Government of the Republic of Latvia,

hereinafter referred to as the "Contracting Parties",

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

Acknowledging the importance of air transport as means of creating and preserving friendship, understanding and cooperation between peoples of the two countries; and

Desiring to promote the development of air transport between Israel and Latvia, to continue to the fullest extent the international cooperation in this field; and

Desiring to conclude an Agreement for the operation of air services between their territories and for the regulation of civil aviation activities,

Have agreed as follows:

ARTICLE I

DEFINITIONS

For the purpose of the interpretation and application of the Agreement, except as otherwise provided herein:

a) the term "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the

[1] Came into force on 14 April 1996 by notification, in accordance with article XXI.

[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.

seventh day of December 1944, and includes any Annex adopted under Article 90 of that Convention, 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 have been ratified by both Contracting Parties;

b) the term "aeronautical authorities" means in the case of the State of Israel, The Minister of Transport, and in the case of the Republic of Latvia, The Minister of Transport, or in both cases any person or body duly authorised to perform any functions exercised by the said authorities;

c) the term "designated airline" means the airline that each Contracting Party has designated to operate the agreed services as specified in the Annex of this Agreement and in accordance with Article III of this Agreement;

d) the term "territory", "air services", "international air services", "airline" and "stop for non-traffic purposes" have the meaning specified in Articles 2 and 96 of the Convention;

e) the term "Agreement" means this Agreement, its Annexes and any amendments thereto;

f) the term "Annex" means the Annex to this Agreement or as amended in accordance with the provisions of paragraph 2 of Article XVII of this Agreement.

g) the term "specified routes" means the routes established or to be established in the Annex to the Agreement;

h) the term "agreed services" means the International air services performed by aircraft for public transport of passengers, cargo and mail which can be operated, according to the provisions of the Agreement, on the specified routes;

i) the term "tariff" 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 agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail.

j) The term "capacity" in relation to "agreed services" means the capacity of the aircraft used on such services, multiplied by the frequency operated by such aircraft over a given period of time and route or section of a route.

ARTICLE II

GRANT OF RIGHTS.

1. Each Contracting Party grants to the other Contracting Party the rights specified in the Agreement, for the purpose of establishing and operating scheduled international air services on the routes specified in the Annex hereto.

2. Unless otherwise specified in this Agreement or in its Annex the airline designated by each Contracting Party shall enjoy the following rights:

a) to fly without landing across the territory of the other Contracting Party;

b) to make stops in the said territory for non-traffic purposes;

c) while operating an agreed service on the specified routes, to embark and disembark in the other Contracting Party's territory, at the points specified in the Annex of this Agreement passengers, cargo and mail coming from or destined to the territory of the Contracting Party designating the airline.

3. Nothing in this Article shall be deemed to confer on the designated airline of one Contracting Party the privilege of taking on board in the territory of the other Contracting Party passengers, cargo or mail, carried for hire or reward and destined for another point in the territory of the other Contracting Party.

4. The airlines of each Contracting Party, other than those designated under Article III of the Agreement, shall also enjoy the rights specified in paragraph 1. a) and b) of this Article, provided proper authorisations have been obtained in advance from the aeronautical authorities of the other Contracting Party.

ARTICLE III

DESIGNATION OF AIRLINES AND OPERATING AUTHORIZATION

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating, between the territories of the two countries, the agreed services on the specified routes.

2. On receipt of such designation, the other Contracting Party shall grant without delay, subject to the provisions of paragraphs 3 and 4 of this Article, to the designated airline the appropriate operating authorization.

3. The aeronautical authorities of one Contracting Party may require the airline designated by the other Contracting Party to satisfy them that it fulfils 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 provisons of the Convention.

4. Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this Article or to impose such conditions, as it may deem necessary, on the exercise by the designated airline of the rights specified in Article II of this Agreement in any case when 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 VI of this Agreement is in force in respect of those services.

ARTICLE IV

REVOCATION OR SUSPENSION OF RIGHTS.

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

a) in case where it is not satisfied that substanstial ownership and effective control of the airline are vested in the Contracting Party designating the airline or in nationals of such Contracting Party; or

b) in case of failure by that airline to comply with the laws and regulations of the Contracting Party granting these rights; or

c) in any case in which the airline otherwise fails to operate the agreed services in accordance with the conditions prescribed under the Agreement.

2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph 1 of this Article are essential to prevent further infrigement of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party.

ARTICLE V

EXEMPTIONS FROM DUTIES AND TAXES.

1. Each Contracting Party shall on a basis of reciprocity exempt the designated airline of the other Contracting Party to the fullest possible extent under its national law from import restrictions, customs duties, excise taxes, inspection fees and other national duties and charges on supplies, including fuel and lubricants, spare parts including engines, regular aircraft equipment, aircraft stores and food (including tobacco, liquor, beverages and other products destined for sale to passengers in

limited quantities during the flight) and other items intended for use solely in connection with the operation or servicing of aircraft of the designated airline of such Contracting Party operating the agreed services, as well as printed tickets stock, airway bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed without charge by that designated airline.

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

a) introduced in the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party;

b) retained on board aircraft of the designated airline of one Contracting Party upon arriving to or departing from the territory of the other Contracting Party;

c) taken on board aircraft of the designated airline 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 or partly within the territory of the Contracting Party granting the exemption, provided such items are not alienated in the territory of the said Contracting Party.

The material referred to in a), b) and c) above shall be kept under customs supervision or control.

3. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of the designated airline 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 territory. In such case, they may be placed under the supervision of the said authorities up to such time as they are taken out or otherwise disposed of in accordance with Customs regulations.

4. The exemptions provided by paragraph 1 of this Article shall also be available where the airline of one Contracting Party have contracted with another airline, which similarly enjoys such exemptions from the other Contracting Party, for loan or transfer in the territory of the other Contracting Party of the items specified in paragraph 1 of this Article.

ARTICLE VI

TARIFFS

1. The tariffs to be charged by the designated airline 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 tariffs of other airlines. The

Contracting Parties shall consider unacceptable tariffs that are predatory or discriminatory, unduly high or restrictive because of the abuse of a dominant position, or artificially low because of direct or indirect government subsidy or support.

2. The tariffs referred to in paragraph 1 of this Article, shall be agreed between the designated airlines of both Contracting Parties, after consultation with 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 or any other appropriate international rate fixing mechanism for the working out of tariffs.

3. The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least (45) days before the proposed date of their introduction. In specal cases, this period may be reduced, subject to the agreement of the said authorities.

4. This approval may be given expressly. If neither of the aeronautical authorities has expressed disapproval within (30) days from the date of submission, in accordance with paragraph 3 of this Article, these tariffs shall be considered approved. In the event of the period for submission being reduced, as provided for in paragraph 3, the aeronautical authorities may agree that the period within which any disapproval must be notified shall be less than (30) days.

5. If a tariff cannot be agreed in accordance with the provisions of paragraph 2 of this Article, or if during the period applicable in accordance with paragraph 4 of this Article, one aeronautical authority gives the other aeronautical authority notice of its disapproval of any tariff agreed upon in accordance with the provisions of paragraph 2, the aeronautical authorities of the two Contracting Parties shall, after consultation with the aeronautical authorities of any state whose advice they may consider useful, endeavor to determine the tariff by mutual agreement.

6. If the aeronautical authorities cannot agree on any tariff submitted to them in accordance with paragraph 3 of this Article, or on the determination of any tariff as specified in paragraph 5 of this Article, the dispute shall be settled in accordance with the provisions of Article XVIII of this Agreement.

7. A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff has been established. Nevertheless, a tariff shall not be prolonged by virtue of this paragraph for more than (12) months after the date on which it otherwise would have expired.

ARTICLE VII

REPRESENTATION.

1. The designated airline of one Contracting Party shall be allowed, on the basis of reciprocity, to maintain in the territory

of the other Contracting Party their representatives and commercial, operational and technical staff as required in connection with the operation of the agreed services. These staff shall be chosen among nationals of either or both Parties as may be necessary.

2. These staff requirements may, at the opinion of the designated airline, be satisfied by its own personnel or by using the services of other organisation, company or airline operating in the territory of the other Contracting Party, and authorized to perform such services in the territory of that Contracting Party.

3. The representatives and staff shall be subject to the laws and regulations in force of the other Contracting Party, and, consistent with such laws and regulations, each Contracting Party shall, on the basis of reciprocity and with the minimum of delay, grant the necessary work permits, employment visas or other similar documents to the representatives and staff referred to in paragraph 1 of this Article.

4. Each Contracting Party will endeavour to ensure that the respective designated airline of the other Contracting Party is provided with a suitable office and facilities required for its operation, in order to facilitate without undue delay the operation of the respective airlines of the Contracting Parties.

ARTICLE VIII

APPLICATION OF LAWS AND REGULATIONS

1. The laws and regulations of each Contracting Party governing the admission to or departure from its own territory of aircraft engaged in international navigation, or related to the operation of such aircraft while within its terrritory, will be applied to the aircraft of the designated airline of the other Contracting Party upon entrance into, departure from and while within the said territory.

2. The laws and regulations of each Contracting Party related to the admission to, stay in, transit through and departure from its territory of passengers, crew, baggage, cargo and mail on aircraft, including regulations relating to entry and departure, immigration, and emigration, passports, customs, currency and sanitary measures, shall be complied with by the airline of each Contracting Party upon entrance into or departure from and while within the territory of the other Contracting Party.

ARTICLE IX

RECOGNITION OF CERTIFICATES AND LICENCES.

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 provided that the requirements under which such certificates and licences were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention.

2. Each Contracting Party reserves the right, however, of refusing to recognize the validity of the certificates of competency and the licences granted to its own nationals by the other Contracting Party for the purpose of overflying its own territory.

ARTICLE X

SECURITY

1. The Contracting Parties reaffirm their obligation to each other to protect the security of civil aviation against acts of unlawful interference. The Contracting Parties shall in particular act in conformity with the provisions of the Convention of Offences and Certain Other Acts Committed on Board Aircraft, signed in Tokyo on 14 September 1963,[1] the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970,[2] the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971[3] and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988.[4]

2. The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention to the extent that such security provisions are applicable to the Parties; they shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory and the operators of airports in their territory act in conformity with such aviation security provisions.

4. Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above required by the other Contracting

[1] United Nations, *Treaty Series*, vol. 704, p. 219.
[2] *Ibid.*, vol. 860, p. 105.
[3] *Ibid.*, vol. 974, p. 177.
[4] *Ibid.*, vol. 1589, p. 474.

Party for entry into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

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

6. When a Contracting Party has reasonable ground to believe that the other Contracting Party has departed from the aviation security provisions of this Article, the aeronautical authorities of that Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party.

ARTICLE XI

TRANSFER OF EXCESS RECEIPTS

Based on the principle of reciprocity:

1. The designated airline of one Contracting Party shall be free to sell air transport services in the territory of the other Contracting Party, in local currency or in any freely convertible currency , either directly or through agents, subject to appropriate authorizations obtained from the appropriate authorities of the other Contracting Party.

2. The designated airlines of the Contracting Parties shall be free to convert to freely convertible currency the excess of receipts over expenditure and transfer from the territory of sale to their home territory this excess of receipts. Included in such net transfers shall be revenues from sales made directly or through an agent of air transport services, and ancillary supplementary services, and the payments shall be settled in conformity with the provisions of the payment agreement in force between the two countries, if such an agreement has been reached, and with the applicable currency regulations.

3. The designated airlines of the Contracting Parties shall receive approval for such transfers within at most (30) days of application. The procedure for such transfers shall be in accordance with the foreign exchange regulations of the country in which the revenue accrues.

4. The airline of the Contracting Parties shall be free to effect the actual transfer on receipt of approval. In the event that, for technical reasons, such transfer cannot be effected immediately, the airlines of the Contracting Parties shall receive priority of transfer similar to that of the other Contracting Party's imports.

5. Each Contracting Party shall grant to the designated airline of the other Contracting Party the exemption of all taxes and duties on the profit or incomes derived from the operation of the air services.

ARTICLE XII

CAPACITY

1. There shall be fair and equal opportunity for both designated airlines to operate the agreed services as specified in the Annex to this Agreement.

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

3. The capacity to be provided on the agreed services by the designated airlines shall bear a close relationship to the estimated air transport requirements of the travelling public of the territories of the Contracting Parties. This capacity shall be in principle equally shared between the designated airlines of the Contracting Parties, unless otherwise agreed.

4. The frequencies and the schedules for the operation of the agreed services shall be established by mutual agreement between the two designated airlines and submitted to the aeronautical authorities for approval prior to the operation of the said agreed services and at least (30) days prior to their entry into force. In case such agreement cannot be reached between the designated airlines, the matter shall be referred to the aeronautical authorities of the Contracting Parties.

5. Additional capacity, when required, shall be coordinated between the designated airlines of both Contracting Parties before it is submitted for approval to the respective aeronautical authorities.

6. A commercial agreement between the two designated airlines shall be required while operating the agreed services. This commercial agreement shall be submitted to the respective aeronautical authorities for approval.

ARTICLE XIII

FACILITATION

1. Each Contracting Party may impose or permit to be imposed just and reasonable charges for the use of airports and other aviation facilities, provided that these charges shall not be higher than those paid by its own airlines operating between the territories of the Contracting Parties or higher than those paid by other airlines engaged in similar international air services.

2. Each Contracting Party shall encourage consultations between its competent charging organizations 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 proposals for changes in user charges' to enable them to express their views before changes are made.

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

ARTICLE XIV

EXCHANGE OF INFORMATION AND STATISTICS

The aeronautical authorities of either Contracting Party shall supply to the aeronautical authorities of the other Contracting Party, at their request, such statistical information as may be reasonably required for the purpose of determining the capacity to be provided by the designated airline, the amount of traffic carried on the agreed services as well as the origin and destination of no-stopover traffic, when exceptionally carried to/from third countries.

ARTICLE XV

DIRECT TRANSIT

Passengers in direct transit across the territory of a Contracting Party, not leaving the area of the airport reserved for such purpose shall be subject to a simplified control. Baggage and freight in direct transit shall be exempt from customs duties and other charges.

ARTICLE XVI

CONSULTATIONS

1. In the 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 of its Annex.

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

ARTICLE XVII

MODIFICATIONS

1. If either Contracting Party considers it desirable to modify any provisions of the Agreement, it may request consultations with the other Contracting Party. Such consultations between aeronautical authorities may be through discussions or by correspondance and shall begin within a period of (60) days from the date of request. Any modifications so agreed shall come into force when they have been confirmed by an exchange of diplomatic notes.

2. Modifications of the Annex to this Agreement may be made by direct agreement between the competent aeronautical authorities of the Contracting Parties and confirmed by exchange of diplomatic notes.

3. The Agreement will be amended so as to conform with any multilateral convention which may become binding on both Contracting Parties.

ARTICLE XVIII

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 endeavor to settle it by negotiations.

2. If the Contracting Parties fail to reach a settlement by negotiations, they may agree to refer the dispute 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 (60) days from the date of receipt by either Contracting Party

of a notice through diplomatic channels requesting arbitration of the dispute and the third arbitrator shall be appointed within a further period of (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. In all cases the third arbitrator shall be a national of a third State, shall act as Chairman of the Tribunal and shall determine the place where arbitration will be held. The arbitral Tribunal shall settle its own procedure and if necessary shall decide the law to be applicable.

3. Any decision given by the arbitral Tribunal shall be binding on both Contracting Parties, unless they decide otherwise at the time of referring the dispute to an arbitral Tribunal.

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

5. If and so long as either Contracting Party fails to comply with any decision given under paragraph 3 of this Article, the other Contracting Party may limit, withold or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default or to the designated airline in default.

ARTICLE XIX

REGISTRATION

This agreement and all modifications thereto, as well as any exchange of Diplomatic Notes, shall be registered with the International Civil Aviation Organization.

ARTICLE XX

TERMINATION

1. This Agreement shall be valid for indefinite period of time.

2. Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate the Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. In such case the Agreement shall terminate (12) months after the date of receipt of the notice by the other Contracting Party, unless the notice of termination is withdrawn by mutual 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 (14) days after the receipt of the notice by the International Civil Aviation Organization.

Article XXI

ENTRY INTO FORCE

This Agreement shall enter into force at the date on which both Contracting Parties give written notifications to each other by exchange of Diplomatic Notes that their respective internal requirements for entry into force have been fulfilled.

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

Done in Jerusalem this 3rd day of November 1993
which corresponds to the 19th of Heshvan, 5754

in two original copies in the English, Hebrew and Latvian languages, all three texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government of the State of Israel :

[1]

For the Government of the Republic of Latvia:

[2]

[1] Shimon Peres.
[2] Andris Gutmanis.

ANNEX TO THE AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF ISRAEL AND THE GOVERNMENT OF THE REPUBLIC OF LATVIA ON SCHEDULED AIR TRANSPORT BETWEEN THEIR TERRITORIES

1. Routes on which air services may be operated by the designated airline of the State of Israel:

Point of origin:	Tel-Aviv
Intermediate Points:	Any point
Point of destination:	Riga
Points Beyond:	Any point

2. Routes on which air services may be operated by the designated airline of the Republic of Latvia:

Point of origin:	Riga
Intermediate Points:	Any point
Point of destination:	Tel-Aviv
Points Beyond:	Any point

3. The designated airlines of the Contracting Parties shall not exercise 5th freedom traffic rights to/from third countries unless they mutually agree otherwise. Such agreements have to be approved by both aeronautical authorities before their implementation.

4. Any or all of the intermediate or beyond points may, at the opinion of the designated airline, be omitted on any or all flights provided that the services begin or terminate in the territory of the party designating the airline.