

**November 15, 1971**

## **AIR TRANSPORT AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE COMMONWEALTH OF AUSTRALIA**

Note: The Agreement entered into force, June 27, 1972.

Reference: This Agreement is also published in XI DFA TS No. 1, p. 68.

The Government of the Republic of the Philippines and the Government of the Commonwealth of Australia, hereinafter described as the Contracting Parties,

Being parties to the Convention on International Civil Aviation and the International Air Service Transit Agreement both opened for signature at Chicago on the 7th day of December, 1944, and

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

Hereby agree as follows:

### **ARTICLE 1**

#### **DEFINITIONS**

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

(a) the term "aeronautical authorities" means, in the case of the Republic of the Philippines, the Civil Aeronautics Board and/or any person or body authorized to perform any function exercised at present by the said Civil Aeronautics Board or similar functions, and, in the case of the Commonwealth of Australia, the Director General of Civil Aviation and/or any person or body authorized to perform the functions exercised by the said Director-General of Civil Aviation or similar functions;

(b) the term "designated airline" means an airline which one contracting Party shall have designated, by written notification to the other Contracting Party, in accordance with Article 4 of this Agreement, for the operation of the air services on the routes specified in the Annex hereto;

(c) the term "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;

(d) the term "territory" in relation to a State has the meaning assigned to it in Article 2 of the Convention except that for the word "mandate" therein is substituted the word "trusteeship";

(e) the term "air service", "international air service"; "airline" and "Stop for nontraffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;

(f) the term "agreed service" means any scheduled air service operated on the routes specified in the Annex to this Agreement.

(2) The Annex to this Agreement forms an integral part of the Agreement, and all references to the "Agreement" shall be deemed to include reference to the Annex except where otherwise provided.

## **ARTICLE 2**

### **CHICAGO CONVENTION**

To the extent to which they are applicable to the air services established under this Agreement, the provisions of the Convention shall remain in force in their present form as between the Contracting Parties for the duration of this Agreement as if they were incorporated herein, unless both Contracting Parties ratify any amendment to the Convention which shall have come into force, in which case the Convention as amended shall remain in force as aforesaid.

## **ARTICLE 3**

### **GRANT OF RIGHTS**

(1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement to enable its designated airline to establish and operate the agreed services.

(2) Subject to the provisions of this Agreement, the designated airline of each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following rights:

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

(b) to make stops in that territory for nontraffic purposes; and

(c) to make stops in that territory, at the points specified for that route in the Annex, for the purposes of putting down and of taking on international traffic in passengers, cargo or mail.

## **ARTICLE 4**

### **NECESSARY AUTHORIZATIONS, SUSPENSION AND REVOCATION**

(1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services.

(2) On receipt of such designation, the other Contracting Party, through its aeronautical authorities, shall subject to the provisions of paragraphs (3), (4) and (5) of this Article, without delay grant to the airline designated 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 is qualified to fulfill the conditions prescribed under the laws and regulations normally applied by them, in conformity with the provisions of the Convention, to the operation of international air services.

(4) Each Contracting Party shall have the right to withhold the rights granted under paragraph (1) of Article 3, or to impose such conditions as it may deem necessary on the exercise by the airline of those rights in any case where:

(a) 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 that Contracting Party; or

(b) the designated airline fails to comply with the national laws and regulations referred to in paragraph (3) of this Article.

(5) The exercise by the designated airline of the rights granted in the appropriate operating authorization as mentioned in paragraph (2) of this Article, shall be subject to the statutory powers of the aeronautical authorities of the Contracting Parties in order to ensure the implementation by the said authorities of the provisions of Article 9 of this Agreement.

(6) At any time after the provisions of paragraphs (1) and (2) of this Article have been complied with, the airline so designated and authorized may begin to operate the agreed services.

(7) Each Contracting Party reserves the right to suspend or revoke the rights granted under paragraph (1) of Article 3 in respect of an airline designated by the other Contracting Party, or to impose conditions on the exercise of those rights in any case where:

(a) it is not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or in nationals of the Contracting Party; or

(b) the airline fails to operate in accordance with the conditions specified in this Agreement or fails to comply with the national laws and regulations of the Contracting Party granting the rights.

(8) The rights reserved in paragraph (7) of this Article shall be exercised by a Contracting Party only after consultation with the other Contracting Party unless the immediate suspension of the rights or the immediate imposition of conditions is necessary to prevent further infringements of the national laws and regulations of the first mentioned Contracting Party.

## **ARTICLE 5**

### **EXEMPTION FROM CUSTOMS DUTIES, TAXES, AND OTHER CHARGES**

Fuel, lubricating oils, spare parts, regular equipment and aircraft stores on board aircraft of the designated airline of one Contracting Party on arrival in the territory of the other Contracting Party or taken on board those aircraft in that territory, and not unloaded from the aircraft without the consent of the customs authorities, if intended solely for use by or in aircraft of that airline in the operation of the agreed services shall, subject to compliance in order respects with the customs requirements of the latter Contracting Party, be exempted from all national or local duties, taxes and charges including customs duties and inspection fees imposed in the territory of the latter Contracting Party, even though the supplies are used in or consumed by the aircraft in flights in that territory.

## **ARTICLE 6**

### **MAINTENANCE OF TECHNICAL AND ADMINISTRATIVE PERSONNEL**

The designated airline of either Contracting Party is authorized to maintain in the territory of the other Contracting Party its own technical and administrative personnel for the purpose of operating the agreed services, without prejudice to the national regulations of the respective Contracting Parties.

## **ARTICLE 7**

### **REMITTANCE OF CURRENCY**

Either Contracting Party undertakes to grant to the other Party free transfer, in United States dollars at the rate of exchange in the official market at the time of remittance, of the excess of receipts over expenditure achieved in its territory in connection with the carriage of passengers, baggage, mail shipments and freight by the designated airline of the other Party. Wherever the payments system between the Contracting Parties is governed by a special agreement, said agreement shall apply.

## **ARTICLE 8**

### **APPLICABILITY OF AIR AND ENTRY AND CLEARANCE REGULATIONS**

(1) The laws and regulations of one Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air services, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the airline designated by the other Contracting Party, and shall be complied with by such aircraft upon entering or departing from or while within the territory of the first Party.

(2) The laws and regulations of one Contracting Party as to the entrance into, stay within or departure from its territory of passengers, crew, or cargo of aircraft, such as regulations relating to entry, clearance, immigration, passports, customs, and quarantine shall be complied with upon entrance into or departure from, or while within the territory of the first Party.

## **ARTICLE 9**

### **CAPACITY REGULATION**

(1) There shall be a 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 airline of each Contracting Party shall take into consideration the interest of the designated airline 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 routes.

(3) The agreed services provided by the designated airlines of the Contracting Parties shall bear a close relationship to the requirements of the public for transportation on the specified routes. The agreed services provided by the designated airline shall have as their primary objective the provision of capacity adequate for the requirements of traffic originating in or destined for the territory of