



**AIR TRANSPORT AGREEMENT**

**BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF CHILE**

**AND**

**THE GOVERNMENT OF \_\_\_\_\_**



The Government of the Republic of Chile and the Government \_\_\_\_\_, hereinafter referred to as the “Contracting Parties”;

Desiring to promote an air transport system based on competition among airlines in the marketplace with minimum governmental interference and regulation, and equal opportunities;

Desiring to facilitate the expansion of air transport opportunities;

Desiring to make it possible for airlines to offer users and shippers a variety of service options at the lowest tariffs that are not discriminatory and do not represent abuse of a dominant position, and wishing to encourage individual airlines to develop and implement innovative and competitive tariffs;

Desiring to ensure the highest degree of safety and security in air transport and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardize the safety of persons or property, adversely affect the operation of air transport and undermine public confidence in the safety of civil aviation;

Being parties to the Convention on International Civil Aviation opened for signature in Chicago on December 7, 1944;

Have agreed as follows:



## ARTICLE 1

### Definitions

For the purposes of this Agreement, unless otherwise stated, the terms below should be understood as follows:

(a) “Aeronautical Authorities” means, in the case of Chile, the Civil Aeronautics Board of Chile or its successor agency or agencies; and in the case of \_\_\_\_\_, the \_\_\_\_\_ or its successor agency or agencies.

(b) “Agreement” means this Agreement and any amendment hereto;

(c) “Contracting Party” is a State that has formally consented to be bound by this Agreement;

(d) “Air Transport” means any operation performed by aircraft for the public carriage of traffic in passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;

(e) “Convention” means the Convention on International Civil Aviation, opened for signature in Chicago on December 7, 1944, and includes:

i) Any amendment which has entered into force under Article 94 a) of the Convention and has been ratified by both Contracting Parties, and

ii) Any Annex or amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is at any given time effective for both contracting Parties;

(f) “ICAO” designates the International Civil Aviation Organization;

(g) “Designated Airline” means one or more airlines designated and authorized in accordance with Article 3 of this Agreement;

(h) “Tariffs” means the prices that must be paid for the transport of passengers, baggage and cargo, and the conditions under which these prices are applied, including the prices and commissions of agencies and other auxiliary services, excluding the prices and conditions for mail transport;

(i) “International Air Transport” means air transport which passes through the airspace over the territory of more than one State;

(j) “Stop for Non-Commercial Purposes” means a landing for any purpose other than boarding or disembarking passengers, baggage, cargo or mail in air transport;



- (k) “Territory” has the meaning assigned to it in Article 2 of the Convention;
- (l) “User Charges” means the charges made to airlines for goods, facilities and services from airports, air navigation devices or aviation security;
- (m) “Codeshare” means a commercial agreement among the designated airlines of both Contracting Parties and/or with airlines of third-party countries, through which they jointly operate a specific route, where each of the airlines involved has traffic rights. This involves the use of an aircraft on which the airlines can transport passengers, cargo and mail, each one using its own code.

## **ARTICLE 2**

### **Granting of Rights**

1. Each Contracting Party grants to the other Contracting Party the following rights for the provision of air services by the designated airlines of the other Contracting Party:
  - a) the right to fly across its territory without landing;
  - b) the right to make stops in its territory for non-commercial purposes; and
  - c) the right to provide combined scheduled and non-scheduled services of passengers and cargo or exclusively of cargo, between points in the territory of the other Contracting Party, between both territories, and between the territory of the other Contracting Party and any third-party country, directly or through its own territory; such services may not include any point in the territory of the Party that designates the airline, without restrictions with regard to routes, frequencies and flight material, which could be its own, leased or chartered.
2. The designated airlines of one Contracting Party will have the right to use all airways, airports and other facilities in the territory of the other Contracting Party on a non-discriminatory basis.
3. Each designated airline, in any or in all of its flights may, at its discretion:
  - a. Make flights in either direction or in both.
  - b. Combine different flight numbers in the operation of a single aircraft.



- c. Serve one point or previous points, intermediate points or points beyond the territory of the Parties on the routes, in any combination or order.
- d. Omit stops at any point or points.
- e. Transfer the traffic from any of its aircraft to any of its other aircraft at any point on the routes.
- f. Serve points previous to any points in its territory, with or without a change of aircraft or flight number, and be able to offer and announce such services to the public as direct services.

### **ARTICLE 3**

#### **Designation and Authorization**

1. Each Contracting Party shall have the right to designate as many airlines as it wishes to conduct air transport in accordance with this Agreement, and to withdraw or alter such designations. Such designations shall be transmitted between both aeronautical authorities to the other Contracting Party in writing through diplomatic channels and shall specify the type of air transport that the airline is authorized to conduct in conformance with Article 2.
2. On receipt of such designation, and of the requests from the designated airline or airlines, the aeronautical authorities of the other Contracting Party shall grant the appropriate authorizations and permissions without delay in conformance with paragraph 1 of this Article, subject to the provisions of paragraphs 3 and 4 of this Article.
3. The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them that it is qualified to fulfill the conditions prescribed under the laws and regulations normally and reasonably applied by such authorities to the operation of commercial air services.
4. Each Contracting Party shall have the right to refuse to accept the designation referred to in paragraph 2 of this Article, or to impose such conditions on a designated airline as it may deem necessary for the exercise of the rights specified in Article 2 of this Agreement, if the airline is not established or does not have its principal place of business in the territory of the Party that designates it.
5. When an airline has been so designated and authorized, it may begin to operate the agreed services for which it has been designated, in accordance with the provisions of this Agreement and with minimal administrative delay.



## **ARTICLE 4**

### **Revocation, Suspension or Limitation of Authorization**

1. Each Contracting Party reserves the right to revoke, suspend or limit the operating authorizations or technical permissions of an airline designed by the other Contracting Party, if the airline is not established or does not have its principle place of business in the territory of the other Contracting Party, or has failed to comply with the laws and regulations referred to in Article 5 (Application of Laws) of this Agreement. The aforementioned right shall be exercised only upon consultation with the other Contracting Party.
2. This Article does not limit the rights of either Contracting Party to stop, limit or condition air transport in accordance with the provisions of Articles 6 (Recognition of Certificates and Licenses) and 7 (Aviation Security).

## **ARTICLE 5**

### **Application of Laws**

1. The laws and regulations regarding the territory of each Contracting Party that govern the entry into, sojourn in and departure from the country of the airlines dedicated to international air navigation, and those that govern the procedures in relation to immigration, customs and sanitary measures, will also be applied in that territory to the operations of the company designated by the other Contracting Party. Such application may not be discriminatory with respect to third-party countries.
2. The laws and regulations of one Contracting Party relating to the provision of statistical information shall be observed by the airlines of the other Contracting Party.

## **ARTICLE 6**

### **Recognition of Certificates and Licenses**

1. Each Contracting Party shall recognize as valid, for the purpose of operating the air transport provided for in this Agreement, certificates of aero-navigability and competency, and licenses issues or validated by the other Contracting Party and still in force, provided that the requirements for such certificates or licenses are at least equal to the minimum standards which may be established pursuant to the Convention. Nevertheless, each Contracting Party reserves the right to refuse to



recognize as valid for the purpose of flight above its territory, certificates of competency and licenses granted to or validated for its own nationals by the other Contracting Party.

2. Each Contracting Party may request consultations concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrew, aircraft and operation of the designated airlines. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain or apply safety standards and requirements in these areas that are at least equal to the minimum standards which may be established pursuant to the Convention, the other Contracting Party shall be notified of such findings and the steps considered necessary to comply with these minimum standards, and the other Contracting Party shall take the appropriate corrective measures. Each Contracting Party reserves the right to reject, revoke or limit the operating authorization or technical permission of an airline or airlines designated by the other Contracting Party in the event that the other Contracting Party fails to take such appropriate measures within a reasonable period of time.

## **ARTICLE 7**

### **Security**

1. In accordance with their rights and obligations under International Law, the Contracting Parties reaffirm that their obligation, in their mutual relationship, to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement.
2. The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of aircraft and other unlawful acts against the safety of passengers, crew, aircraft, airports and air navigation facilities, and any other threat to aviation security.
3. Without limiting their general rights and obligations under international law, both Contracting Parties shall act in conformance with the provisions of the Convention on Offences and Certain other Acts Committed on Board Aircraft, signed in Tokyo on September 14, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed in The Hague on December 16, 1970, the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation signed in Montreal on September 23, 1971, and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed in Montreal on February 24, 1988, as long as both Contracting Parties are parties to these Conventions.



4. 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 on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties. They shall require that operators of their registered aircraft or operators 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.
5. Each Contracting Party agrees that its aircraft operators may be required to observe the security provisions required by the other Contracting Party for entry into, departure from, or sojourn in the territory of that other Contracting Party and take adequate measures to protect aircraft and to inspect passengers, crew, their carry-on items as well as cargo and aircraft stores prior to and during boarding or stowing. Each Contracting Party shall also give positive consideration to any request from the other Contracting Party for special security measures to meet a particular threat.
6. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of passengers, crew, aircraft, airports and air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate that incident or threat rapidly and safely.
7. When a Contracting Party has reasonable grounds 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. Failure to reach a satisfactory agreement within 15 days from the date of such request will constitute grounds to reject, revoke, limit or impose conditions on the operating authorizations, or technical permission of an airline or airlines of the other Contracting Party. In case of emergency, a Contracting Party may adopt provisional measures within a period of 15 days.

## **ARTICLE 8**

### **Commercial Opportunities**

1. The airlines of either Contracting Party may establish offices in the territory of the other Contracting Party for the promotion and sale of air transport.
2. The designated airlines of either Contracting Party may, in accordance with the laws and regulations of the other Contracting Party relating to entry, residence and employment, send to and maintain in the territory of the other Contracting



Party administrative, technical, operational, sales and other specialized staff required for the provision of air transport, in conformance with national legislation.

3. Each designated airline may perform its own ground handling in the territory of the other Contracting Party (“self-handling”) or, at its option, select among competing agents for such services. These rights shall be subject only to physical constraints resulting from considerations of airport safety. Where such considerations preclude self-handling, ground services shall be available on an equal basis to all airlines; charges shall be based on the costs of services provided, and such services shall be comparable to the kind and quality of services if self-handling were possible.
4. Each designated airline of either Contracting Party may engage in the sale of air transport in the territory of the other Contracting Party directly and, at the airline's discretion, through its agents. Each designated airline may sell such transport, and any persons shall be free to purchase such transport, in the currency of that territory or in freely convertible currencies, in conformance with the exchange provisions of each Contracting Party currently in force.
5. Each Contracting Party grants to the designated airlines of the other Contracting Party the right to remit to its head office the income obtained in the territory of the first Contracting Party, once expenses have been discounted. The conversion and remittances will be permitted promptly, at the current exchange rate applicable to transactions and remittances at that time.
6. The designated airlines of both Contracting Parties may operate services using codeshare or blocked space arrangements or other joint operation formulas: I) with airlines of either of the Contracting Parties and II) with airlines of a third-party country, as long as such third-party country authorizes or permits equivalent agreements between the airlines of the other Party and other airlines in the services to and from such third-party country.

All airlines that arrange these agreements must have the corresponding traffic rights and comply with the requirements that normally apply to such agreements.

## **ARTICLE 9**

### **Customs Duties**



1. Aircraft operated on international services by the designated airlines of either Contracting Party, as well as their regular equipment, spare parts, supplies of fuel, lubricants and aircraft stores (including food, beverages and tobacco) on board such aircraft, shall be exempt from all customs duties, provided that such equipment and supplies remain on board the aircraft until such time as they are re-exported.
2. There shall also be exemption from such duties, with the exception of charges corresponding to the service performed, for:
  - a) aircraft stores taken on board in the territory of either Contracting Party, within limits set by competent authorities of said Contracting Party, and for use on board aircraft engaged in the agreed services of the other Contracting Party;
  - b) spare parts brought into the territory of either Contracting Party for the maintenance or repair of aircraft used on the agreed services by the designated airline or airlines of the other Contracting Party; and
  - c) fuel and lubricants destined to supply aircraft operated on the agreed services by the designated airline or airlines of the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they are taken on board.

Materials referred to in subparagraphs a), b) and c) above may be required to be kept under customs supervision or control.

3. The regular aircraft equipment, as well as the materials and supplies 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 other Contracting Party. In such case, they may be placed under the supervision of said authorities until such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

## **ARTICLE 10**

### **User Charges**

1. User charges imposed by the competent agencies on the airlines of the other Contracting Party shall be just, reasonable and non-discriminatory.
2. Each Contracting Party shall encourage consultations between the competent agencies in its territory and airlines using the services and facilities, and shall



encourage the competent agencies and the airlines to exchange such information as may be necessary to permit a meticulous review of whether the charges are reasonable.

## **ARTICLE 11**

### **Competition among Airlines**

1. Each Contracting Party shall allow a fair and equal opportunity for the designated airlines of both Contracting Parties to compete in the air transport covered by this Agreement.
2. The capacity of transport offered by the designated airlines shall be determined by each one of them on the basis of market demands.
3. Neither Contracting Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the designated airlines of the other Contracting Party, except as may be required for customs, technical, operational or environmental reasons under uniform conditions consistent with Article 15 of the Convention.
4. Each Contracting Party shall take all appropriate measures within its jurisdiction to eliminate all forms of discrimination or unfair competitive practices adversely affecting the competitive position of the airlines of the other Contracting Party.
5. Each Contracting Party shall minimize the administrative burdens of filing requirements and procedures on designated airlines of the other Contracting Party and shall ensure that such requirements and procedures are applied on a non-discriminatory basis.

## **ARTICLE 12**

### **Tariffs**

1. Each designated airline shall set its tariffs for air transport based on commercial considerations in the marketplace. Intervention by the Contracting Parties shall be limited to:
  - a) prevention of discriminatory tariffs or practices;



- b) protection of consumers with respect to excessively high or restrictive tariffs arising from abuse of a dominant position; and
  - c) protection of airlines with respect to artificially low tariffs stemming from direct or indirect governmental subsidy or support.
2. Neither Contracting Party's aeronautical authorities shall take unilateral action to prevent the introduction of any rate proposed to be charged or charged by a designated airline of either Contracting Party, except as provided for in paragraphs 3 and 4 of this Article.
  3. The aeronautical authorities of each Contracting Party may require notification or filing with the proper aeronautical authorities, of tariffs proposed to be charged to or from its territory by designated airlines of the other Contracting Party. Such notification or filing may be required no more than sixty (60) days before the proposed date of entry into force.
  4. If any aeronautical authorities of either Contracting Party believe that any rate proposed to be charged or charged is inconsistent with the considerations set forth in paragraph 1 of this Article, they shall notify the aeronautical authorities of the other Contracting Party of the reasons for their dissatisfaction as soon as possible. The aeronautical authorities of both Contracting Parties shall then endeavor to resolve the matter amongst themselves. Either Contracting Party may request consultations. These consultations shall be held not later than thirty (30) days after receipt of the request, and the Contracting Parties shall cooperate in securing information necessary for arriving at a reasoned resolution of the issue. If the Contracting Parties reach an agreement with respect to a rate for which a notice of dissatisfaction has been given, each Contracting Party shall make its best efforts to put that agreement into effect. If the consultations end without mutual agreement, such a rate shall remain in effect.
  5. The tariffs of air transport cabotage services shall be governed by the internal law of each Contracting Party.

## **ARTICLE 13**

### **Consultations and Amendments**

1. Either Contracting Party may, at any time, request consultations relating to this Agreement. Such consultations shall begin at the earliest possible date, but not later than 45 days from the date the other Contracting Party receives the request, unless otherwise agreed.



2. Any amendment to this Agreement shall become effective on the date of an Exchange of Notes indicating that all necessary internal procedures have been completed by both Contracting Parties.

## ARTICLE 14

### 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 negotiation amongst themselves. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to an arbitral tribunal.
2. Arbitration shall be carried out by a tribunal composed of three arbitrators to be constituted as follows:
  - a) Within 30 days after the receipt of a request for arbitration, each Contracting Party shall appoint one arbitrator. Within 60 days after these two arbitrators have been appointed, they shall by agreement appoint a third arbitrator, who shall act President of the arbitral tribunal;
  - b) If either Contracting Party fails to appoint an arbitrator, or if the third arbitrator is not appointed in accordance with subparagraph a) of this paragraph, either Contracting Party may request the President of the Council of the International Civil Aviation Organization to appoint the necessary arbitrator or arbitrators, within 30 days. If the President of the Council is of the same nationality as one of the Contracting Parties, the most senior Vice President who is not disqualified on those grounds shall make the appointment.
3. The Contracting Parties undertake to comply with any decision given under paragraph 2 of this Article.
4. If either Contracting Party or the designated airlines of either Contracting Party fail to comply with a decision given under paragraph 2 of this Article, the other Contracting Party may, while such failure remains, limit, withhold or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default.



5. The expenses for the Arbitral Tribunal shall be borne in equal amounts by the Parties.

## **ARTICLE 15**

### **Termination**

1. Either Contracting Party may, at any given time, give notice in writing to the other Contracting Party of its decision to terminate this Agreement through diplomatic channels. Such notice shall be sent simultaneously to the International Civil Aviation Organization. This Agreement shall terminate twelve months after the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by agreement before the end of this period.
2. If the Contracting Party fails to acknowledge receipt of the notice of termination, the notice shall be deemed to have been received fourteen (14) days after the date on which ICAO acknowledges receipt of the notice.

## **ARTICLE 16**

### **Multilateral Agreement**

If a multilateral agreement accepted by both Contracting Parties concerning any matter covered by this Agreement enters into force, the Agreement shall be amended in conformance with the provisions of the multilateral agreement.

## **ARTICLE 17**

### **Registration with ICAO**

This Agreement and all amendments hereto shall be registered with the International Civil Aviation Organization.



## ARTICLE 18

### Entry into Force

This Agreement shall enter into force sixty (60) days following the date of the final notice in which one of the Parties communicates to the other, through diplomatic channels, the completion of the corresponding internal legal procedures.

In witness whereof, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done in the city of \_\_\_\_\_, on \_\_\_\_\_, in two equally authentic counterparts.

FOR THE GOVERNMENT OF THE  
REPUBLIC OF CHILE

FOR THE GOVERNMENT OF THE

This is an unofficial IATA translation