

AIR TRANSPORT SERVICES

*Agreement signed at Manila November 16, 1946, with annex
Entered into force November 16, 1946
Section B of annex amended by agreement of August 27, 1948¹
Terminated March 3, 1960²*

61 Stat. 2479; Treaties and Other
International Acts Series 1577

AIR TRANSPORT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES

Having in mind the resolution signed under date of December 7, 1944, at the International Civil Aviation Conference in Chicago, for the adoption of a standard form of agreement for air routes and services, and the desirability of mutually stimulating and promoting the further development of air transportation between the United States of America and the Republic of the Philippines, the two Governments parties to this arrangement agree that the establishment and development of air transport services between their respective territories shall be governed by the following provisions:

ARTICLE I

Each contracting party grants to the other contracting party the rights as specified in the Annex hereto necessary for establishing the international civil air routes and services therein described, whether such services be inaugurated immediately or at a later date at the option of the contracting party to whom the rights are granted.

ARTICLE II

Each of the air services so described shall be placed in operation as soon as the contracting party to whom the rights have been granted by Article I to designate an airline or airlines for the route concerned has authorized an airline for such route, and the contracting party granting the rights shall, subject to Article VII hereof, be bound to give the appropriate operating permission to the airline or airlines concerned; provided that any airline

¹ TIAS 1844, *post*, p. 158.

² Pursuant to notice of termination given by the Philippines Feb. 26, 1959.

so designated may be required to qualify before the competent aeronautical authorities of the contracting party granting the rights under the laws and regulations normally applied by these authorities before being permitted to engage in the operations contemplated by this Agreement; and provided that in areas of hostilities or of military occupation, or in areas affected thereby, such inauguration shall be subject to the approval of the competent military authorities.

ARTICLE III

Operating rights which the Philippine Government may have heretofore granted to any United States air transport enterprise shall continue in force in accordance with their terms, except for any provisions included in such operating rights which would prevent any airline designated under Article II above from operating under this Agreement.

ARTICLE IV

In order to prevent discriminatory practices and to assure equality of treatment, both contracting parties agree that:

(a) Each of the contracting parties may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control. Each of the contracting parties agrees, however, that these charges shall not be higher than would be paid for the use of such airports and facilities by its national aircraft engaged in similar international services.

(b) Fuel, lubricating oils and spare parts introduced into the territory of one contracting party by the other contracting party or its nationals, and intended solely for use by aircraft of such other contracting party shall, with respect to the imposition of customs duties, inspection fees or other national duties or charges by the contracting party whose territory is entered, be accorded the same treatment as that applying to national airlines and to airlines of the most-favored-nation.

(c) The fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board civil aircraft of the airlines of one contracting party authorized to operate the routes and services described in the Annex shall, upon arriving in or leaving the territory of the other contracting party, be exempt from customs, inspection fees or similar duties or charges, even though such supplies be used or consumed by such aircraft on flights in that territory.

ARTICLE V

Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one contracting party shall be recognized as valid by the other contracting party for the purpose of operating the routes and services described in the Annex. Each contracting party reserves the right, however,

to refuse to recognize, for the purpose of flight above its own territory, certificates of competency and licenses granted to its own nationals by another State.

ARTICLE VI

(a) The laws and regulations of one contracting party relating to the admission to or departure from its territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of 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.

(b) The laws and regulations of one contracting party as to the admission to 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 by or on behalf of such passengers, crew or cargo of the other contracting party upon entrance into or departure from, or while within the territory of the first party.

ARTICLE VII

Each contracting party reserves the right to withhold or revoke the certificate or permit of any airline of the other party in case it is not satisfied that substantial ownership and effective control of airlines of the first party are vested in nationals of that party, or in case of failure of such airline to comply with the laws of the State over which it operates, as described in Article VI hereof, or otherwise to fulfill the conditions under which the rights are granted in accordance with this Agreement and its Annexes.

ARTICLE VIII

This agreement and all contracts connected therewith shall be registered with the Provisional International Civil Aviation Organization.

ARTICLE IX

This agreement or any of the rights for air transport services granted thereunder may be terminated by either contracting party upon giving one year's written notice to the other contracting party.

ARTICLE X

In the event either of the contracting parties considers it desirable to modify the routes or conditions set forth in the attached Annex, it may request consultation between the competent authorities of both contracting parties, such consultation to begin within a period of sixty days from the date of the request. When these authorities mutually agree on new or revised conditions affecting the Annex, their recommendations on the matter will

come into effect after they have been confirmed by an exchange of diplomatic notes.

ARTICLE XI

This Agreement, including the provisions of the Annex thereto, will come into force on the day it is signed.

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

Done in duplicate this 16th day of November, 1946 at Manila.

For the Government of the United States of America:

PAUL V. McNUTT [SEAL]

For the Government of the Republic of the Philippines:

ELPIDIO QUIRINO [SEAL]

ANNEX TO AIR TRANSPORT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES

A. Airlines of the United States of America authorized under the present Agreement are accorded the rights of transit and non-traffic stop in Philippine territory, as well as the right to pick up and discharge international traffic in passengers, cargo and mail at Manila, on the route or routes indicated below:

From the United States, via intermediate points to Manila and thence to points beyond in both directions.

B. Airlines of the Republic of the Philippines authorized under the present Agreement are accorded the rights of transit and non-traffic stop in United States territory, as well as the right to pick up and discharge international commercial traffic in passengers, cargo, and mail at Honolulu and San Francisco, on the route indicated below:

From the Philippines to San Francisco and thence to points beyond over a reasonably direct route via intermediate points in the Pacific which are United States territory, including Honolulu, in both directions.

C. In the operation of the air services authorized under this Agreement, both contracting parties agree to the following principles and objectives:

1. Fair and equal opportunity for the airlines of each contracting party to operate air services on international routes, and the creation of machinery to obviate unfair competition by unjustifiable increases of frequencies or capacity.

2. The adjustment of fifth freedom traffic with regard to:

- (a) Traffic requirements between the country of origin and the countries of destination.
- (b) The requirements of through airline operation, and
- (c) The traffic requirements of the area through which the airline passes after taking account of local and regional services.