

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE
CANBERRA

AIR SERVICES AGREEMENT
BETWEEN
THE GOVERNMENT OF AUSTRALIA
AND
THE GOVERNMENT OF THE CZECH REPUBLIC

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AIR SERVICES AGREEMENT

BETWEEN

THE GOVERNMENT OF AUSTRALIA

AND THE GOVERNMENT OF THE CZECH REPUBLIC

The Government of Australia and the Government of the Czech Republic (hereinafter, “the Contracting Parties”);

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

Desiring to conclude an agreement for the purpose of developing air services between their respective territories and beyond;

Have agreed as follows:

ARTICLE 1

Definitions

For the purpose of this Agreement, unless otherwise stated, the term:

- (a) “Aeronautical authorities” means in the case of the Czech Republic the Ministry of Transport and, in the case of the Australia the Department of Infrastructure, Transport, Regional Development and Local Government, or, in both cases, any other authority legally empowered to perform the functions exercised by the said aeronautical authorities as notified in writing by one Contracting Party to the other Contracting Party;
- (b) “Agreed services” means services for taking on board and discharge of passengers, their baggage, cargo and mail as defined in Article 3, subparagraph 1 (c);
- (c) “Agreement” means this Agreement, its Annexes, and any amendments thereto;
- (d) “Air transportation” means the public carriage by aircraft of passengers, baggage, cargo, and mail, separately or in combination, for remuneration or hire;

- (e) “Airline” means any air transport enterprise marketing or operating air transportation;
- (f) “Capacity” is the amount(s) of services provided under the Agreement, measured in the number of flights (frequencies), or seats or tonnes of cargo offered in a market (city pair, or country -to-country) or on a route or section of a route during a specific period;
- (g) “Convention” means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944, and includes:
 - (i) any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is at any given time in force for both Contracting Parties; and
 - (ii) any amendment which has entered into force under Article 94(a) of the Convention and has been ratified by both Contracting Parties;
- (h) “Designated airline” means an airline or airlines designated and authorised in accordance with Article 2 (Designation, Authorisation and Revocation) of this Agreement;
- (i) “Ground-handling” includes but is not limited to passenger, cargo and baggage handling, and the provision of catering facilities and/or services;
- (j) “ICAO” means the International Civil Aviation Organization;
- (k) “Intermodal air transportation” means the public carriage by aircraft and by one or more surface modes of transport of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;
- (l) “International air transportation” means air transportation which passes through the air space over the territory of more than one State;
- (m) “Marketing airline” means an airline that offers air transportation on an aircraft operated by another airline, through code-sharing or blocked-space;
- (n) “Member State” means a Member State of the European Union;
- (o) “Operating airline” means an airline that operates an aircraft (own or leased) in order to provide air transportation;
- (p) “Slots” means the right to schedule an aircraft movement at an airport;
- (q) “Tariffs” means any price, fare, rate or charge for the carriage of passengers (and their baggage) and/or cargo (excluding mail) in international air transportation, including transportation on an intra-or interline basis, charged by airlines, including their agents, and the conditions governing the availability of such price, fare, rate or charge;

- (r) “Territory” and “Stop for non-traffic purposes” have the meaning respectively assigned to them in Articles 2 and 96 of the Convention;
- (s) “User charges” means a charge made to airlines by a service provider for the provision of airport, airport environmental, air navigation and aviation security facilities and services; and
- (t) “Laws, regulations and rules” means laws, regulations and rules valid in the territory of respective Contracting Party, including European Union law in case of the Czech Republic.

ARTICLE 2

Designation, Authorisation and Revocation

1. Each Contracting Party shall have the right to designate as many airlines as it wishes to conduct international air transportation in accordance with this Agreement, and to withdraw or alter such designations. Such designations shall be transmitted to the other Contracting Party in writing through diplomatic channels. Designation shall not be required for airlines exercising the rights provided for in Article 3, subparagraphs 1 (a) and 1 (b).

2. On receipt of such a designation, and of applications from designated airline(s), in the form and manner prescribed for operating authorisations and technical permissions, each Contracting Party shall, subject to paragraphs 3 and 4 grant the appropriate authorisations and permissions with minimum procedural delay, provided that:

- (a) in the case of an airline designated by the Czech Republic:
 - (i) the airline is established in the territory of the Czech Republic under the Treaty on European Union and the Treaty on the functioning of the European Union and has a valid Operating Licence from a Member State in accordance with European Union law; and
 - (ii) effective regulatory control of the airline is exercised and maintained by the Member State responsible for issuing its Air Operators Certificate and the relevant aeronautical authority is clearly identified in the designation; and
 - (iii) the air carrier has its principal place of business in the territory of the Member State from which it has received the valid Operating Licence; and
 - (iv) the air carrier is owned directly or through majority ownership and is effectively controlled by Member States and/or nationals of Member States, and/or by the Republic of Iceland, the principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation and/or nationals of such other states.
- (b) In the case of an airline designated by Australia:

- (i) Australia has and maintains effective regulatory control of the airline; and
 - (ii) it has its principal place of business in Australia.
- 3. Either Contracting Party may refuse, revoke, suspend or limit the operating authorisation or technical permissions of an airline designated by the other Contracting Party where:
 - (a) in the case of an airline designated by the Czech Republic:
 - (i) the airline is not established in the territory of the Czech Republic under the Treaty on European Union and the Treaty on the functioning of the European Union or does not have a valid Operating Licence from a Member State in accordance with European Union law; or
 - (ii) effective regulatory control of the airline is not exercised or not maintained by the Member State responsible for issuing its Air Operators Certificate, or the relevant aeronautical authority is not clearly identified in the designation; or
 - (iii) the air carrier does not have its principal place of business in the territory of the Member State from which it has received its Operating Licence; or
 - (iv) the air carrier is not owned directly or through majority ownership and is not effectively controlled by Member States and/or nationals of Member States, and/or by the Republic of Iceland, the principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation and/or national of those states; or
 - (v) the airline is already authorised to operate under a bilateral agreement between Australia and another Member State and Australia can demonstrate that, by exercising traffic rights under this Agreement on a route that includes a point in that other Member State, it would be circumventing restrictions on the third or fourth or fifth freedom traffic rights imposed by that other agreement; or
 - (vi) the airline holds an Air Operators Certificate issued by a Member State and there is no bilateral air services agreement between Australia and that Member State and Australia can demonstrate that the necessary traffic rights to conduct the proposed operation are not reciprocally available to the designated airline(s) of Australia;
 - (b) in the case of an airline designated by Australia:
 - (i) Australia is not maintaining effective regulatory control of the air carrier; or
 - (ii) It does not have its principal place of business in Australia.
- 4. In exercising its right under paragraph 3, and without prejudice to its rights under paragraph 3(a) (v) and (vi) of this Article, Australia shall not discriminate between airlines of Member States on the grounds of nationality.

5. This Article does not limit the rights of either Contracting Party to withhold, revoke, limit or impose conditions on the operating authorisation or technical permission of an airline or airlines of the other Contracting Party in accordance with the provisions of Article 5 (Safety) or Article 6 (Aviation Security) of this Agreement.

6. Notwithstanding of paragraph 5 of this article, unless immediate action is essential to prevent further non-compliance with paragraphs 2 of this Article, the rights established by paragraph 3 of this Article shall be exercised only after consultation with the other Party.

ARTICLE 3

Grant of Rights

1. Each Contracting Party grants to the other Party the following rights for the conduct of international air transportation by the 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-traffic purposes;
- (c) the rights for designated airlines, to operate services on the routes specified in Annex 1 and to make stops in its territory for the purpose of taking on board and discharging passengers, their baggage, cargo and mail, hereinafter called the “agreed services”; and
- (d) the rights otherwise specified in this Agreement.

2. Nothing in this Article shall be deemed to confer on the airline or airlines of one Contracting Party the rights to take on board and discharge between points in the territory of the other Contracting Party, passengers, their baggage, cargo, or mail carried for compensation.

3. The provisions of this Agreement shall also be applicable to non-scheduled international air transportation performed by the airlines of each Contracting Party, including airlines not designated under Article 2, except with respect to the following: Article 2, Article 3 sub-paragraph 1 (c), Article 10, Article 11 and Annex.

ARTICLE 4

Application of Laws

1. While entering, within, or leaving the territory of one Contracting Party, its laws, regulations and rules relating to the operation and navigation of aircraft shall be complied with by the other Contracting Party's airlines.

2. While entering, within, or leaving the territory of one Contracting Party, its laws, regulations and rules relating to the admission to or departure from its territory of aircraft, passengers, crew and cargo (including regulations and rules relating to entry, clearance, aviation security, immigration, travel documents, advance passenger information, customs, veterinary, health, sanitary and quarantine or, in the case of mail, postal regulations) shall be complied with by, or on behalf of, such airlines, passengers and crew and in relation to such cargo of the other Contracting Party's airlines.

3. Neither Contracting Party shall give preference to its own or any other airline over an airline of the other Contracting Party engaged in similar international air transportation in the application of its entry, clearance, aviation security, immigration, travel documents, advance passenger information, customs, veterinary, health, sanitary and quarantine, postal and similar regulations.

4. Passengers, baggage and cargo in direct transit through the territory of either Contracting Party and not leaving the area of the airport reserved for such purpose may be subject to examination in respect of aviation security, control of narcotic drugs and psychotropic substances, and immigration requirements, or in other special cases where such examination is required having regard to the laws and regulations of the relevant Contracting Party and to the particular circumstances. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.

ARTICLE 5

Safety

1. Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Contracting Party and still in force shall be recognised 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. If the privileges or conditions of the licences or certificates referred to in paragraph 1 above, issued by the aeronautical authorities of one Contracting Party to any person or designated airline or in respect of an aircraft used in the operation of the agreed services, should permit a difference from the minimum standards established under the Convention, and which difference has been filed with the International Civil Aviation Organization, the other Contracting Party may request consultations between the aeronautical authorities with a view to clarifying the practice in question.

3. Each Contracting Party reserves the right, however, to refuse to recognise for the purpose of flights above or landing within its own territory, certificates of competency and licences granted to its own nationals or in relation to its registered aircraft by the other Contracting Party.

4. Each Contracting Party may request consultations at any time concerning the safety standards maintained by the other Contracting Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. Such consultations shall take place within thirty (30) days of that request.

5. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 4 that meet the standards established at that time pursuant to the Convention, the other Contracting Party shall be informed of such findings and of the steps considered necessary to conform with those standards. The other Contracting Party shall then take appropriate corrective action within a time period agreed by the Contracting Parties.

6. Paragraphs 7 to 10 of this Article supplement paragraphs 1 to 5 of this Article and the obligations of the Contracting Parties under Article 33 of the Convention.

7. Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of an airline of one Contracting Party, on service to or from the territory of the other Contracting Party may, while within the territory of the other Contracting Party, be the subject of a search by the authorised representatives of the other Contracting Party, provided this does not cause unreasonable delay in the operation of the aircraft. The purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the standards established at the time pursuant to the Convention.

8. When urgent action is essential to ensure the safety of an airline operation, each Contracting Party reserves the right to immediately suspend or vary the operating authorisation of an airline or airlines of the other Contracting Party.

9. Any action by one Contracting Party in accordance with paragraph 8 above shall be discontinued once the basis for the taking of that action ceases to exist.

10. With reference to paragraph 5 of this Article, if the first-mentioned Contracting Party determines that the second-mentioned Contracting Party remains non-compliant with the relevant standards when the agreed time period has lapsed, the first-mentioned Contracting Party should advise the Secretary General of ICAO thereof. The Secretary General should also be advised of the subsequent satisfactory resolution of the situation by the first-mentioned Contracting Party.

ARTICLE 6

Aviation Security

1. Consistent with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under

international law, the Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, its Supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988, as well as with any other convention and protocol relating to the security of civil aviation which both Contracting Parties adhere to.

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 security of civil aviation.

3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by ICAO and designated as Annexes to the Convention, and in the case of the Czech Republic in conformity with European Union law; 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 or, in the case of the Czech Republic operators of aircraft which are established in its territory under the Treaty on European Union and the Treaty on the functioning of the European Union and have valid Operating Licences in accordance with European Union law, and the operators of airports in their territory act in conformity with such aviation security provisions. Each Contracting Party shall advise the other Contracting Party of any difference between its national regulations and practices and the aviation security standards of the Annexes. Either Contracting Party may request consultations with the other Contracting Party at any time to discuss any such differences.

4. Such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above required by the other Contracting 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 positive 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. Each Contracting Party may request at any time security consultations including an assessment of security measures adopted by the other Contracting Party. Such consultations shall take place within sixty (60) days of that request (or such

shorter period as may be agreed between the aeronautical authorities). The administrative arrangements shall be mutually determined by the aeronautical authorities of both Contracting Parties and implemented without delay so as to ensure that the consultations will be conducted expeditiously.

7. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the first Contracting Party may request immediate consultations. Such consultations shall start within fifteen (15) days of receipt of such a request from either Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the start of consultations shall constitute grounds for withholding, revoking, suspending or imposing conditions on the authorisations of the airline or airlines designated by the other Contracting Party. When justified by an emergency, or to prevent further non-compliance with the provisions of this Article, the first Contracting Party may take interim action at any time. Any action taken in accordance with this paragraph shall be discontinued upon compliance by the other Contracting Party with the security provisions of this Article.

ARTICLE 7

User Charges

1. Each Contracting Party shall use its best efforts to encourage those responsible for the provision of airport, airport environmental, air navigation, and aviation security facilities and services to levy charges on the airlines only on the basis that they are reasonable, non-discriminatory, and equitably apportioned amongst categories of users.

2. Reasonable charges reflect, but do not exceed, the full cost to the competent charging authorities of providing the facilities and services. This may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made should be provided on an efficient and economic basis. For charges to be non discriminatory, they should be levied on foreign airlines at a rate no higher than the rate imposed on a Contracting Party's own airlines operating similar international services.

3. The Contracting Parties shall encourage the exchange of such information between the competent charging authorities and the airlines as may be necessary to permit a full assessment of the reasonableness of, justification for, and apportionment of the charges in accordance with paragraphs 1 and 2 of this Article.

4. Increased or new charges should only follow adequate consultations between the competent charging authorities and the airlines. Reasonable notice of any proposals for changes in user charges should be given to airlines to enable them to express their views before changes are made.

ARTICLE 8

Statistics

1. The aeronautical authorities of one Contracting Party may require a designated airline of the other Contracting Party to provide statements of statistics related to the traffic carried by that airline on services performed under this Agreement.
2. The aeronautical authorities of each Contracting Party may determine the nature of the statistics required to be provided by designated airlines under the above paragraph, and shall apply these requirements on a non-discriminatory basis.

ARTICLE 9

Customs Duties and Other Charges

1. Aircraft operated in international air transportation by the airlines of each Contracting Party shall be exempt from all import restrictions, customs duties, indirect taxes such as excise tax and/or value added tax, and similar fees and charges imposed by national authorities. Component parts, normal aircraft equipment and other items intended for or used solely in connection with the operation or for the repair, maintenance and servicing of such aircraft shall be similarly exempt, provided such equipment and items are for use on board an aircraft and are re-exported.
2. (a) Provided in each case that they are for use on board an aircraft in connection with the establishment or maintenance of international air transportation by the airline concerned, the following items shall be exempt from all import restrictions, customs duties, indirect taxes such as excise tax and/or value added tax, and similar fees and charges imposed by national authorities, whether they are introduced by an airline of one Contracting Party into the territory of the other Contracting Party or supplied to an airline of one Contracting Party in the territory of the other Contracting Party:
 - (i) aircraft stores (including but not limited to such items as food, beverages and products destined for sale to, or use by, passengers during flight);
 - (ii) fuel, lubricants (including hydraulic fluids) and consumable technical supplies; and
 - (iii) spare parts including engines.
- (b) These exemptions shall apply even when these items are to be used on any part of a journey performed over the territory of the other Contracting Party in which they have been taken on board.

3. The exemptions provided by this Article shall not extend to charges based on the cost of services provided to the airlines of a Contracting Party in the territory of the other Contracting Party.

4. The normal aircraft equipment, as well as spare parts (including engines), supplies of fuel, lubricating oils (including hydraulic fluids) and lubricants and other items mentioned in paragraphs 1 and 2 of this Article retained on board the aircraft operated by the airlines of one Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the Customs authorities of that territory. Aircraft stores intended for use on the airlines' services may, in any case be unloaded. Equipment and supplies referred to in paragraphs 1 and 2 of this Article may be required to be kept under the supervision or control of the appropriate authorities until they are re-exported or otherwise disposed of in accordance with the Customs laws and procedures of that Contracting Party.

5. The exemptions provided for by this Article shall also be available in situations where the airline or airlines of one Contracting Party have entered into arrangements with another airline or airlines for the loan or transfer in the territory of the other Contracting Party of the items specified in paragraphs 1 and 2 of this Article, provided such other airline or airlines similarly enjoy such reliefs from such other Contracting Party.

ARTICLE 10

Tariffs

1. The tariffs to be charged by the air carrier(s) designated by Australia for carriage wholly within the European Union shall be subject to European Union law. The provisions of this paragraph shall complement the provisions in paragraph 2 of this article.

2. Each Contracting Party shall allow each designated airline to determine its own tariffs for the transportation of passengers, their baggage and cargo.

ARTICLE 11

Capacity

1. The designated airlines of each Contracting Party shall enjoy fair and equal opportunities to operate the agreed services in accordance with this Agreement.

2. 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 and shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers and/or cargo, including mail, coming from or destined for the territory of the Contracting Party

designating the airline. Provision of the carriage of passengers and/or cargo, including mail, both taken on board and discharged at points on the specified routes in the territories of States, other than that designating the airline shall be made in accordance with the general principles that capacity shall be related to:

- (a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;
- (b) traffic requirements of the area through which the agreed service passes, after taking account of other transport services established by airlines of the states comprising the area; and
- (c) the requirements of through airline operation.

ARTICLE 12

Commercial Opportunities

1. The airlines of each Contracting Party shall have the following rights in the territory of the other Contracting Party:

- (a) the right to establish offices, or use other agencies, for the promotion, sale and management of air transportation;
- (b) the right to engage in the sale and marketing of air transportation to any person directly and, at its discretion, through its agents or intermediaries, using its own transportation documents; and
- (c) the right to use the services and personnel of any organisation, company or airline operating in the territory of the other Contracting Party.

2. In accordance with the laws and regulations relating to entry, residence and employment of the other Contracting Party, the airlines of each Contracting Party shall be entitled to bring in and maintain in the territory of the other Contracting Party those of their own managerial, sales, technical, operational and other specialist staff which the airline reasonably considers necessary for the provision of air transportation. Consistent with such laws and regulations, each Contracting Party shall, with the minimum of delay, grant the necessary employment authorisations, visas or other similar documents to the representatives and staff referred to in this paragraph.

3. The airlines of each Contracting Party shall have the right to sell air transportation, and any person shall be free to purchase such transportation, in local or freely convertible currencies normally purchased by banks in that territory. Each airline shall have the right to convert their funds into any freely convertible currency and to transfer them from the territory of the other Contracting Party at will. Conversion and transfer of funds obtained in the ordinary course of their operations shall be permitted without restrictions at the prevailing foreign exchange market rates

applicable for these transactions on the day the transfer is made and shall not be subject to any charges except normal service charges levied for such transactions.

4. The airlines of each Contracting Party shall have the right at their discretion to pay for local expenses, including purchases of fuel, in the territory of the other Contracting Party in local currency or, provided these accords with local currency regulations, in freely convertible currencies.

5. Where rules governing double taxation and other similar payments are governed by a special agreement between the Contracting Parties, such agreement shall apply to the airlines of each Contracting Party, which carry out commercial activities in the territory of the other Contracting Party, as specified under this Article.

ARTICLE 13

Code – sharing

1. In operating or holding out international air transportation the airlines of each Contracting Party shall have the right, over all or any part of their route in Annex to enter into code share, blocked space or other cooperative marketing arrangements, as the marketing and/or operating airline, with any other airline, including airlines of the same Contracting Party and of third parties. Subject to paragraph 3 of this Article, the airlines participating in such arrangements must hold the appropriate authority or authorities to conduct international air transportation on the routes or segments concerned.

2. Unless otherwise mutually determined by the aeronautical authorities of the Contracting Parties, the volume of capacity or service frequencies which may be held out and sold by the airlines of each Contracting Party, when code sharing as the marketing airline, shall not be subject to limitations under this Agreement.

3. The aeronautical authority of one Contracting Party shall not withhold code sharing permission for an airline of the other Contracting Party to market code share services on flights operated by airlines of third parties on the basis that the third party airlines concerned do not have the right from the first Contracting Party to carry traffic under the code of the marketing airline.

4. The airlines of each Contracting Party may market code share services on domestic flights operated within the territory of the other Contracting Party provided that such services form part of a through international journey.

5. The airlines of each Contracting Party shall, when holding out international air transportation for sale, make it clear to the purchaser at the point of sale which airline will be the operating airline on each sector of the journey and with which airline or airlines the purchaser is entering into a contractual relationship.

ARTICLE 14

Ground Handling and Slots

1. Subject to the laws and regulations of the respective Contracting Party including, in the case of the Czech Republic, European Union law, the airlines of each Contracting Party shall have the right to perform their own ground-handling in the territory of the other Contracting Party, or contract with a competing agent of their choice, including any other airlines which perform ground-handling, for such services in whole or in part. Each airline shall also have the right, in the territory of the other Contracting Party, to offer its services as a ground-handling agent, in whole or part, to any other airline. These rights shall be subject only to restrictions resulting from considerations of airport safety. Where such considerations preclude a airline from performing its own ground-handling or contracting with an agent of its choice for ground-handling services, these services shall be made available to that airline on a basis of equality with all other airlines.

2. The Contracting Parties recognise that to give effect to the rights and entitlements embodied in the Agreement the airlines of each Contracting Party must have the opportunity to access airports in the territory of the other Contracting Party on a non-discriminatory basis.

3. In respect of the allocation of time slots (slots) to airlines at their national airports, each Contracting Party will ensure that the slots are allocated to the airlines of the other Contracting Party on a transparent, neutral and non-discriminatory basis, as for all other airlines, in conformity with the provisions of laws and regulations in force in the territory of the respective Contracting Party, and in the case of the Czech Republic in conformity with European Union law.

ARTICLE 15

Leasing

The airlines of each Contracting Party shall be permitted to conduct international air transportation using aircraft (or aircraft and crew) leased from any company, including other airlines, provided only that the operating aircraft and crew meet the applicable operating and safety standards and requirements subject to laws and regulations of the respective Contracting Party.

ARTICLE 16

Intermodal Services

The designated airlines of each Contracting Party shall be permitted to employ, in connection with international air transport, any surface transport to or from any points in the territories of the Contracting Parties or third countries. Airlines may elect to perform their own surface transport or to provide it through arrangements, including code share, with other surface carriers subject to the provisions of any laws

and regulations in force in the territory of a Contracting Party concerned. Such intermodal services may be offered as a through service and at a single price for the air and surface transport combined, provided that passengers and shippers are informed as to the providers of the transport involved.

ARTICLE 17

Competition

1. The competition laws in force in the territory of each Contracting Party, including in the case of the
2. Without limiting the application of competition law by either Contracting Party, if the aeronautical authorities of the other Contracting Party. Consultations between the aeronautical authorities shall take place within thirty (30) days of request by either aeronautical authority (or such shorter period as may be agreed between the aeronautical authorities) unless the first aeronautical authority is satisfied that the matter has been resolved in the meantime.

ARTICLE 18

Consultations

1. Either Contracting Party may at any time request consultations on the implementation, interpretation, application or amendment of this Agreement.
2. Subject to Articles 5 (Safety) and 17 (Competition), such consultations, which may be through discussion or correspondence, shall begin within a period of sixty (60) days of the date of receipt of such a request, unless otherwise mutually decided.

ARTICLE 19

Amendment of Agreement

1. This Agreement may be amended or revised by agreement in writing between the Contracting Parties.
2. Any such amendment or revision shall enter into force when the Contracting Parties have notified each other in writing that their respective requirements for the entry into force of an amendment or revision have been met.
3. If a multilateral convention concerning air transportation comes into force in respect of both Contracting Parties, this Agreement shall be deemed to be amended so far as is necessary to conform with the provisions of that convention.

ARTICLE 20

Settlement of Disputes

1. In case of dispute arising from the interpretation or application of this Agreement, with the exception of any dispute concerning the application of national competition laws, the aeronautical authorities of the Contracting Parties shall in the first place endeavour to settle it by negotiation.
2. If the aeronautical authorities fail to reach an agreement, the dispute shall be settled by negotiations between the Contracting Parties.
3. If the Contracting Parties fail to reach a settlement of the dispute by negotiation, it may be referred by them to such person or body as they may agree on, for an advisory opinion or a binding decision as the Contracting Parties may agree, or, at the request of either Contracting Party, shall be submitted for decision to a tribunal of three arbitrators.
4. Within a period of thirty (30) days from the date of receipt by either Contracting Party from the other Contracting Party of a note through the diplomatic channel requesting arbitration of the dispute by a tribunal, each Contracting Party shall nominate an arbitrator. Within a period of thirty (30) days from the appointment of the arbitrator last appointed, the two arbitrators shall appoint a president who shall be a national of a third State. If within thirty (30) days after one of the Contracting Parties has nominated its arbitrator, the other Contracting Party has not nominated its own or, if within thirty(30) days following the nomination of the second arbitrator, both arbitrators have not agreed on the appointment of the president, either Contracting Party may request the President of the Council of the International Civil Aviation Organization to appoint an arbitrator or arbitrators as the case requires. 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 that ground shall make the appointment.
5. Except as otherwise determined by the Contracting Parties or prescribed by the tribunal, each Contracting Party shall submit a memorandum within thirty (30) days after the tribunal is fully constituted. Replies shall be due within thirty (30) days. The tribunal shall hold a hearing at the request of either Contracting Party, or at its discretion, within thirty (30) days after replies are due.
6. The tribunal shall attempt to give a written award within thirty (30) days after completion of the hearing, or, if no hearing is held, after the date both replies are submitted. The award shall be taken by a majority vote.
7. The Contracting Parties may submit requests for clarification of the award within fifteen (15) days after it is received and such clarification shall be issued within fifteen (15) days of such request.

8. The award of the arbitral tribunal shall be final and binding upon the parties to the dispute.

9. Each Contracting Party shall bear the cost of its own member as well as of its representation in the arbitral proceedings; the cost of the chairman and any other costs shall be borne in equal parts by the Contracting Parties.

10. If and for so long as either Contracting Party fails to comply with an award under paragraph 8 of this Article, the other Contracting Party may limit, suspend or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default.

ARTICLE 21

Termination

1. Either Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be communicated simultaneously to the International Civil Aviation Organization (ICAO). The Agreement shall terminate at midnight (at the place of receipt of the notice to the other Contracting Party) immediately before the first yearly anniversary of the date of receipt of notice by the Contracting Party, unless the notice is withdrawn by mutual decision of the Contracting Parties before the end of this period.

2. In default of acknowledgement of receipt of a notice of termination by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days after the date on which ICAO acknowledged receipt thereof.

ARTICLE 22

Registration with ICAO

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

ARTICLE 23

Entry into Force

This Agreement shall enter into force when the Contracting Parties have notified each other in writing that their respective requirements for the entry into force of this Agreement have been satisfied.

IN WITNESS THEREOF, the undersigned, duly authorised thereto by their respective governments, have signed this Agreement.

DONE at New York, this 24th day of September, 2010, in two originals in the Czech and English languages, both texts being equally authentic.

For the Government of
Australia

For the Government of
the Czech Republic

The Hon. Kevin Rudd, MP
Minister for Foreign Affairs

Karel Schwarzenberg
Minister for Foreign Affairs

ANNEX

Section 1

ROUTE SCHEDULE

The designated airlines of each Contracting Party shall be entitled to perform international air transportation between points on the following routes:

Routes for the designated airlines of the Czech Republic:

<u>Points in the Czech Republic</u>	<u>Intermediate Points</u>	<u>Points in Australia</u>	<u>Beyond Points</u>
Any points	Any points	Any points	Any points

Routes for the designated airlines of Australia:

<u>Points in Australia</u>	<u>Intermediate Points</u>	<u>Points in the Czech Republic</u>	<u>Beyond Points</u>
Any points	Any points	Any points	Any points

Notes:

1. The designated airlines of each Contracting Party may at their option omit points on any of the above routes provided that, with the exception of all-cargo services, the services commence or terminate in the territory in which the airline concerned has its principal place of business.
2. The intermediate and beyond points on the above routes; the traffic rights, other than as determined in this Agreement, which may be exercised at all points on the routes by the designated airlines; and capacity shall be jointly determined between the aeronautical authorities.

Section 2

OPERATIONAL FLEXIBILITY

Subject to Section 1 of this Annex, the designated airlines of each Contracting Party may, on any or all services and at the option of each airline:

- (a) perform services in either or both directions;
- (b) combine different flight numbers within one aircraft operation;
- (c) transfer passengers, their baggage, cargo and mail from any aircraft to any other aircraft at any point on the route,

without directional or geographic limitation and without loss of any right to carry passengers, their baggage, cargo and mail otherwise permissible under this Agreement.

Section 3

CHANGE OF GAUGE

On any sector or sectors of the routes in Section 1 of this Annex, any designated airline shall be entitled to perform international air transportation, including under code sharing arrangements with other airlines, without any limitation as to change at any point or points on the route, in the type, size or number of aircraft operated.