

**AIR TRANSPORTATION AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE
GOVERNMENT OF NEW ZEALAND**

The Government of the United Mexican States and the Government of New Zealand;
hereinafter referred to as "the Contracting Parties";

Sharing an interest in enabling international air services to meet transportation needs
consistent with the regional economic environment;

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

Wishing to conclude a supplementary Agreement to the Convention mentioned above in order
to establish scheduled air services between their respective territories;

Have agreed the following:

Article 1

Definitions

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

- A. "Aeronautical Authorities" means, in the case of New Zealand, the Minister responsible for Civil Aviation, and any person or agency authorised to perform the functions exercised by the said Minister, and in the case of the United Mexican States, the Ministry of Communications and Transport, and any person or agency authorised to perform the functions exercised by the authorities mentioned above;
- B. "Agreement" means this Agreement, its annex, and any amendments thereto;
- C. "air services" means the public carriage by aircraft of passengers, baggage, cargo, and mail, separately or in combination, for remuneration or hire;
- D. "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;
- E. "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on December 7, 1944, and includes:
 - (i) any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by both Contracting Parties, and
 - (ii) any Annex or any 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. "designated airline" means an airline designated and authorised in accordance with Article 3 of this Agreement;
- G. "international air transport" means air transport that passes through the airspace over the territory of more than one State;
- H. "tariff" means any fare, rate or charge for the carriage of passengers (and their baggage) and/or cargo (excluding mail) in air transport charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;
- I. "territory" has the meaning assigned to it in Article 2 of the Convention, provided that, in the case of New Zealand, the term "territory" shall exclude Tokelau.

Article 2

Granting of Rights

1. Each Contracting Party grants to the other Contracting Party the rights established in this Agreement, in order to establish scheduled international air services on the routes included in the Route Schedule annexed to this Agreement.

2. Pursuant to what has been established in this Agreement, the designated airlines of each Contracting Party shall enjoy the following rights during the exploitation of the air services agreed upon:
 - a) to overfly the territory of the other Contracting Party without landing in it;
 - b) to make stops for non-commercial purposes in the territory of the other Contracting Party;
and
 - c) to take on board and disembark international traffic in passengers, cargo and mail, within that territory, at the points specified in the annexed Route Schedule.

3. Fifth freedom traffic rights on all the sectors in the Route Schedule annexed hereto, shall be practised only after previous consultation between the Aeronautical Authorities of both Contracting Parties.

4. The fact that the rights described in this Article are not exercised immediately shall not hinder the designated airlines of the Contracting Party to which they were granted in inaugurating the services agreed upon on the routes specified in the Route Schedule.

5. Nothing included in this Agreement shall be considered to grant the designated airlines of either of the Contracting Parties the right to bring on board, in the territory of the other Contracting Party, passengers and cargo, including mail, transported for payment or compensation and destined for another point in the territory of the other Contracting Party.

Article 3

Designation and Authorisation

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party up to two airlines for the purpose of operating the services agreed upon on the routes specified and the right to withdraw or change that designation.

2. Upon receiving that designation, the other Contracting Party shall grant the designated airline or airlines, without delay and subject to the provisions of paragraph 3 of this Article, authorisation to operate.

3. The Aeronautical Authorities of one of the Contracting Parties may require the designated airlines of the other Contracting Party, to satisfy them that they are qualified to comply with the conditions prescribed in accordance with the laws and regulations that are normally and reasonably applied by those authorities to the operation of international air services, in accordance with the provisions of the Convention.

Article 4

Repeal or Suspension of Authorisations

1. Each Contracting Party shall have the right to repeal an authorisation to operate or suspend the exercise of the rights under Article 2 of this Agreement by a designated airline of the other Contracting Party, or to impose such conditions as it deems necessary on the exercise of these rights when:

a) that airline is not incorporated and does not have its principal place of business in the territory of the Contracting Party designating the airline; or

b) effective control of the airline is not vested in the Contracting Party designating the airline or in nationals of that Contracting Party; or

c) the airline does not comply with the laws, regulations and rules of the Contracting Party granting these rights; or

d) the airline, in any other way, does not operate in accordance with the conditions established in this Agreement.

2. Unless the immediate repeal or suspension of, or imposition of conditions on an authorisation to operate, as mentioned in paragraph 1 of this Article, is essential to avoid major violations to the laws, regulations and rules of a Contracting Party, that right shall be exercised only after consulting with the other Contracting Party.

Article 5

Laws, Regulations and Rules

1. The Laws, Regulations and Rules in effect in the territory of each Contracting Party governing entry into, sojourn in and departure from that country of aircraft engaged in international air transportation of passengers, crews, baggage, cargo and mail, and also its procedures relating to immigration, customs and sanitary measures, shall also apply in that territory to the operations of the designated airlines of the other Contracting Party.

2. Neither Contracting Party shall give preference to its own or any other airline over a designated airline of the other Contracting Party engaged in similar international air transport in the application of its customs, immigration, quarantine and similar regulations.

Article 6

Safety

1. Airworthiness Certificates, certificates or titles of competency and licences issued or revalidated by one of the Contracting Parties that have not expired, shall be recognised as valid by the other Contracting Party for the exploitation of the routes specified in the Route Schedule, provided the requirements under which those certificates or licences were issued or revalidated are the same or higher than the minimum established in the Convention.

2. Nevertheless each Contracting Party reserves the right not to recognise the validity, for the purpose of flights over its own territory, of titles or certificates of competency and licences issued to its own nationals by the other Contracting Party.

3. Either Contracting Party may request consultations concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrews, aircraft, and operation of the designated airlines. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards and requirements in these areas that at least equal the minimum standards that may be established pursuant to the Convention, the other Contracting Party shall be notified of such findings and the steps considered necessary to conform with these minimum standards, and the other Contracting Party shall take appropriate corrective action. Each Contracting Party reserves the right to withhold, revoke, or limit the operating authorisation or technical permission of an airline or airlines designated by the other Contracting Party in the event the other Contracting Party does not take such appropriate corrective action within a reasonable time.

Article 7

Airport Tax

User charges imposed by the competent charging bodies on the airlines of the other Contracting Party shall be just, reasonable and non-discriminatory. However, each Contracting Party agrees that such charges and fees shall not be greater than those imposed for the use of such airports and services by its national aircraft used in international air services.

Article 8

Customs Duties

1. The aircraft used in international air services by the designated airlines of either of the Contracting Parties and their operating equipment, fuel, lubricants, consumable technical supplies, spare parts and supplies (including food, tobacco and drinks), on board those aircraft, shall be exempt from all customs duties, national taxes, inspection or other duties, federal, state or municipal taxes or liens, upon entrance into the territory of the other Contracting Party, provided this equipment and supplies remain on board the aircraft until the moment when they are re-exported even if those articles are used or consumed by those aircraft on flights over the above mentioned territory.

2. The following shall also be exempt, on the condition that there be reciprocity, from the same taxes and liens, except for charges strictly for services rendered: lubricants, consumable technical supplies, spare parts, tools and special equipment for maintenance work, and also supplies (including food, drinks and tobacco), sent by or for the airline of one Contracting Party to the territory of the other Contracting Party, as well as those taken on board the aircraft of the airline of one of the Contracting Parties in the territory of the other Contracting Party and used in international services.

3. The equipment normally on board the aircraft and also the other materials and supplies that remain on board the aircraft in any of the Contracting Parties may be unloaded in the territory of the other Contracting Party, subject only to prior authorisation of the customs authorities in the corresponding territory. In such cases, they may be stored under the supervision of such authorities until they leave the country in accordance with the corresponding legal provisions.

4. Passengers in-transit through any territory of either Contracting Party, shall be subject only to a simple monitoring procedure. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.

Article 9

Principles Governing the Operation of the Services

1. The designated airlines of the Contracting Parties shall have equal and fair opportunity to operate the services agreed upon on the routes specified between their respective territories.

2. Each Contracting Party shall allow each designated airline to determine the frequency and capacity of the international air transport it offers based on commercial considerations in the marketplace. Consistent with this right, neither Contracting Party shall unilaterally limit the volume of traffic, frequency or regularity of service, or the aircraft type or types operated by 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.

Article 10

Tariffs

1. The tariffs on any agreed service shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service and the tariffs of other airlines for any part of the specified route.
2. These tariffs shall be filed in accordance with the following provisions:
 - (a) the Aeronautical Authorities of each Contracting Party may require the filing for approval of any proposed tariff for services between the territory of one Contracting Party and the territory of the other Contracting Party in accordance with paragraph 1. Such filing may be required not less than 60 days before the proposed date of the introduction of the tariff or such shorter period as either Contracting Party may decide;
 - (b) if the Aeronautical Authorities of either Contracting Party do not approve the tariffs submitted, the Aeronautical Authorities of the Contracting Parties shall endeavour to reach agreement on the appropriate tariffs in accordance with paragraph 1 of this Article;
 - (c) if agreement under the provisions of paragraph 2(b) of this Article cannot be reached, the dispute shall be settled in accordance with the provisions of Article 18 of the present Agreement; and
 - (d) no new tariff shall come into effect if the Aeronautical Authorities of either Contracting Party are dissatisfied with it, except under the terms of paragraph 5 of Article 18 of this Agreement. Pending determination of the tariffs in accordance with the provisions of this Article, the tariffs in force shall prevail.
3. Tariffs charged by the designated airlines of one Contracting Party for carriage between the territory of the other Contracting Party and the territory of a third state involving also points other than on agreed services may be subject to the approval of the Aeronautical Authorities of the other Contracting Party and such state. However, the Aeronautical Authorities of a Contracting Party shall not require a different tariff to the tariff of its own designated airlines for comparable services between the same points. The designated airlines of each Contracting Party may be required to file such tariffs with the Aeronautical Authorities of the other Contracting Party in accordance with their requirements. Approval of such tariffs may be withdrawn on not less than fifteen (15) days' notice.

Article 11

Aviation Security

1. In accordance with their rights and obligations under international law, the Contracting Parties reaffirm that their mutual obligation to protect the security of civil aviation against unlawful interference constitutes an integral part of this Agreement. Without limiting the general validity of their rights and obligations under international law, the Contracting Parties shall in particular act in accordance with the provisions of the Agreement on Offences and Certain other Acts Committed on Board Aircraft, done at Tokyo on September 14, 1963, the Agreement for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on December 16, 1970 and the Agreement for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, done at Montreal on September 23, 1971, and any other Multilateral Agreement, including amendments to Multilateral Agreements, which is binding on both the Contracting Parties.
2. The Contracting Parties shall provide each other all necessary assistance as requested to prevent acts of unlawful seizure of civil aircraft and other illegal acts against the safety of those aircraft, their passengers and crews, airports and air navigation facilities and all other threats against the security of civil aviation.
3. The Contracting Parties shall act in their mutual relationship in conformity with provisions on aviation security established by the International Civil Aviation Organization and designated as Annexes to the International Civil Aviation Convention to the extent those provisions are applicable to the Contracting Parties, and shall require that operators of aircraft of its nationality, operators of aircraft that have their main office or a permanent residence in their territory and the operators of airports located in their territory, act pursuant to those provisions on aviation security.
4. Each Contracting Party agrees that such operators of aircraft may be required to observe the provisions on aviation security referred to in paragraph 3 above and required by the other Contracting Party for entry into, departure from or while within its territory. Each Contracting Party shall ensure that within its territory appropriate measures shall be effectively applied to protect aircraft and carry out inspection of 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 all requests from the other Contracting Party to adopt reasonable special security measures in order to meet a specific threat.
5. Each Contracting Party shall also give sympathetic consideration to a request from the other Contracting Party to enter into reciprocal administrative arrangements whereby the Aeronautical Authorities of one Contracting Party could make in the territory of the other Contracting Party their own assessment of the security measures being carried out by aircraft operators in respect of flights destined for the territory of the Contracting Party making such a request.
6. When an incident or a threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, its 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 end quickly and safely such incident or threat.

7. Each Contracting Party shall take such measures as it may find practicable to ensure that an aircraft of the other Contracting Party which is subjected to an act of unlawful seizure or other acts of unlawful interference and which lands in its territory is detained on the ground unless its departure is necessitated by the overriding duty to protect human life. Wherever practicable, such measures shall be taken on the basis of mutual consultations.

8. 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 shall constitute grounds to withhold, revoke, limit, or impose conditions on the operating authorisation and technical permissions of an airline or airlines of that Contracting Party. When required by an emergency, a Contracting Party may take interim action prior to the expiry of 15 days.

Article 12

Transfer of Profits

Subject to the availability of foreign currency and to applicable laws, each Contracting Party shall guarantee to the designated airlines of the other Contracting Party the right to transfer the proceeds from the sale of air transportation services in the territory of the other Contracting Party to their respective principal establishments, in any freely usable currency at the market rate of exchange prevailing on the date of transfer.

Article 13

Commercial Activities and Representatives

1. The designated airlines of each Contracting Party shall have the right to establish offices in the territory of the other Contracting Party for the promotion and sale of air services.
2. Individually, each Contracting Party shall grant to the designated airlines of the other Contracting Party the right to directly sell air transportation in its territory, and, as the airlines may decide, through their agents. Each airline shall have the right to sell transportation pursuant to this Agreement and all individuals shall be free to acquire it in the legal currency in that country, or, in freely usable currency from other countries, subject to domestic laws and regulations.
3. Each designated airline shall have the right to 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 in whole or in part. The 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 as if self-handling were possible.
4. The designated airlines of one of the Contracting Parties may, pursuant to the laws and regulations of the other Contracting Party regarding entry into, residence and employment in its territory, bring into and maintain in the territory of the other Contracting Party, executive, sales, technical, operational and other expert personnel, exclusively at managerial level, where necessary for the operation of the services agreed upon.
5. The designated airlines of each Contracting Party shall be permitted to pay for local expenses, including purchases of fuel, in the territory of the other Contracting Party in local currency. At their discretion, the designated airlines of each Contracting Party may pay for such expenses in the territory of the other Contracting Party in freely convertible currencies according to local currency regulation.
6. In operating or holding out international air transport pursuant to this Agreement, any designated airline may enter into cooperative arrangements, including but not limited to code-sharing, with any other airline including airlines of third countries which have the appropriate operating authorisation for the cooperative arrangement in question.

Article 14

Statistics

The designated airline will provide to the Aeronautical Authorities of the other Contracting Party, if requested, all the statistical data needed to determine the traffic volume carried by the aforementioned airline on the services agreed upon.

Article 15

Multilateral Convention

In the event of the conclusion of any general multilateral convention or agreement concerning air services by which both Contracting Parties become bound, the present Agreement shall be amended so as to conform with the provisions of such convention or agreement.

Article 16

Consultations and Amendments

1. In a spirit of close cooperation, the Aeronautical Authorities of both Contracting Parties, shall consult with each other in order to ensure the application of and compliance with the provisions of this Agreement.

2. Either of the Contracting Parties may, at any time, request consultations regarding the implementation, interpretation or amendment of this Agreement or its observation. Such consultations shall be carried out within a 60 (sixty) day period from the date on which the other Contracting Party receives this request in writing, unless otherwise agreed upon by the Contracting Parties.

3. If the Contracting Parties agree to amend this Agreement, the amendments shall be formalised through an Exchange of Diplomatic Notes and shall come into force through an additional Exchange of Notes in which both Contracting Parties inform each other that they have complied with the mandatory requirements of their national legislation.

Article 17

Registration

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

Article 18

Settlement of Disputes

1. Except where otherwise provided for in this Agreement, all disputes between the Contracting Parties on the interpretation or application of this Agreement that cannot be settled through consultations shall be submitted to an arbitral tribunal consisting of three members, two of whom shall be appointed one each by the Contracting Parties and the third by mutual agreement of the two members of the tribunal, provided that the third member shall not be a national of either of the Contracting Parties.
2. Each of the Contracting Parties shall appoint an arbitrator within a 60 (sixty) day period beginning on the date on which either Contracting Party delivers to the other Contracting Party a Diplomatic Note requesting the settlement of a dispute through arbitration. The third arbitrator shall be appointed within a 60 (sixty) day period, beginning on the date the 60 (sixty) day period mentioned above expires.
3. If within the period established above, no agreement is reached as to the third arbitrator the third arbitrator shall be appointed by the President of the Council of the International Civil Aviation Organization, in accordance with the procedures of the Organization, at the request of either of the Contracting Parties.
4. After an arbitral tribunal has been formed, it shall issue its decision within a 60 (sixty) day period, which may be extended for another 60 (sixty) additional days only provided that the arbitrators justify and report in writing prior to the expiry of the first 60 (sixty) day period, the need to have more time due to the complexity of the dispute that has been presented.
5. The Contracting Parties bind themselves to abide by any decision adopted pursuant to this Article. The arbitral tribunal shall decide on the distribution of the expenses resulting from the arbitral procedure.

Article 19

Termination

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 sent simultaneously to the International Civil Aviation Organisation. In the absence of an acknowledgement of receipt by the other Contracting Party, it shall be deemed that the notice was received 14 (fourteen) days after it was received by the International Civil Aviation Organisation. This Agreement shall terminate at midnight (at the place of receipt of the notice to the other Contracting Party) immediately before the first anniversary of the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn before then by agreement of the Contracting Parties.

Article 20

Entry into Force

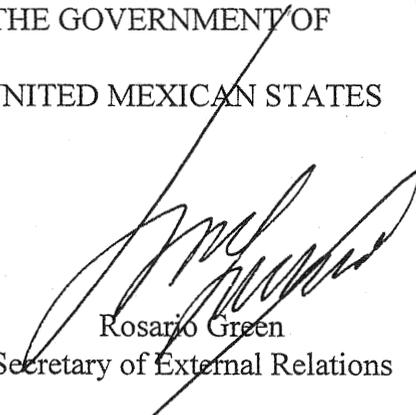
This Agreement and its annex shall enter into force on the date of an Exchange of Diplomatic Notes indicating that all necessary internal procedures have been completed by both Contracting Parties.

This Agreement shall be in force for 3 (three) years and may be renewed for equal periods through the Exchange of Diplomatic Notes.

In witness whereof, the undersigned, duly authorised by their respective Governments, sign this Agreement.

Signed at Mexico City on 14th day of the month of May of nineteen hundred and ninety nine, in two original copies in the Spanish and English languages, both texts being equally valid.

FOR THE GOVERNMENT OF
THE UNITED MEXICAN STATES



Rosario Green
Secretary of External Relations

FOR THE GOVERNMENT
OF NEW ZEALAND



H E Bronwen Chang
New Zealand Ambassador to the United
Mexican States

ROUTE SCHEDULE

SECTION I

The designated airlines of the Government of the United Mexican States shall have the right to operate scheduled air services on the following route:

<u>POINTS</u> <u>MEXICO</u>	<u>IN</u>	<u>INTERMEDIATE</u> <u>POINTS</u>	<u>POINTS IN NEW</u> <u>ZEALAND</u>	<u>BEYOND POINTS</u>
Any point or points		Any point or points	Any point or points	Any point or points

NOTES:

1. The designated airlines may operate flights in either or both directions, and omit on any or all of their flights any point or points, provided that the flights begin or end in territory of the United Mexican States.
2. The designated airlines are authorised to exercise 3rd and 4th freedom traffic rights.
3. The designated airlines may exercise 5th freedom traffic rights when this is agreed upon and previously authorised by the Aeronautical Authorities of both Contracting Parties.
4. The flight itineraries for the services agreed upon shall be submitted for approval to the Aeronautical Authorities at least 30 (thirty) days prior to the date contemplated for the start-up of operations, with the exception of minor changes of a temporary nature that may be requested 48 (forty eight) hours in advance.

SECTION II

The designated airlines of the Government of New Zealand shall have the right to operate scheduled air services on the following route:

<u>POINTS IN NEW ZEALAND</u>	<u>INTERMEDIATE POINTS</u>	<u>POINTS IN MEXICO</u>	<u>BEYOND POINTS</u>
Any point or points	Any point or points	Any point or points	Any point or points

NOTES:

1. The designated airlines may operate flights in either or both directions, and omit on any or all of their flights any point or points, provided that the flights begin or end in territory of New Zealand.
2. The designated airlines are authorised to exercise 3rd and 4th freedom traffic rights.
3. The designated airlines may exercise 5th freedom traffic rights when this is agreed upon and previously authorised by the Aeronautical Authorities of both Contracting Parties.
4. The flight itineraries for the services agreed upon shall be submitted for approval to the Aeronautical Authorities at least 30 (thirty) days prior to the date contemplated for the start-up of operations, with the exception of minor changes of a temporary nature that may be requested 48 (forty eight) hours in advance.