



Air Transport Association

**CONSOLIDATED
AIR TRANSPORT AGREEMENTS
BETWEEN
THE UNITED STATES OF AMERICA
AND
SCANDINAVIA (DENMARK, NORWAY, AND SWEDEN)**

The attached reference document has been prepared by the Air Transport Association's International Affairs Department to consolidate the agreements which comprise the current United States relationship with the Scandinavian countries (as of May 2001). The documents used in this consolidation, and the font style in which text from each of the documents appears, are:

- * Basic Air Transport Agreements, signed by Denmark, Norway and Sweden in 1944, 1945, and 1944, respectively
- * Exchanges of Notes, dated August 6, 1954, replacing Article 10 and adding Articles 11 through 15 to the basic agreements
- * *Exchanges of Notes, dated June 16, 1995, with open skies amendments*

The three agreements are virtually identical. In the few cases where small differences in language occur, wording for each country is identified within brackets, as follows: /Denmark/; {Norway}; and [Sweden].

While every effort has been made to ensure the accuracy of the consolidated document, and to the best of our knowledge it is a fair and accurate representation of the current U.S.-Scandinavia agreement situation, it is NOT an official document. If you do discover any errors, please advise ATA's International Affairs Department.

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SCANDINAVIA AGREEMENT**

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**CONSOLIDATED
AIR TRANSPORT AGREEMENTS
BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE
SCANDINAVIAN GOVERNMENTS (DENMARK, NORWAY AND SWEDEN)**

The Governments of the United States of America and /Denmark/ {Norway} [Sweden] signed on /March 12 and 24, 1934/ {October 16, 1933} [September 8 and 9, 1933], an air navigation arrangement relating to the operation of civil aircraft of the one country in the territory of the other country, in which each party agreed that consent for the operations over its territory by air transport companies of the other party might not be refused on unreasonable or arbitrary grounds. Pursuant to the aforementioned arrangement of /1934/ {[1933]}, /the Government of the United States of America and the Danish Minister in Washington on behalf of Denmark/ {[the two governments]} hereby conclude the following supplementary arrangement covering the operation of scheduled airline services/{:}/ [between their respective territories, based on the standard form of agreement for air routes and services included in the Final Act of the International Civil Aviation Conference signed at Chicago on December 7, 1944.]

ARTICLE 1

GRANT OF RIGHTS

(a) *Each Contracting Party grants to the other Contracting Party the following rights for the conduct of international air transportation by the airlines of the other Contracting Party:*

- (1) *the right to fly across its territory without landing;*
- (2) *the right to make stops in its territory for non-traffic purposes; and*
- (3) *the rights otherwise specified in this Agreement.*

(b) *Nothing in the Agreement shall be deemed to confer on the airline or airlines of one Contracting party the rights to take on board, in the territory of the other Contracting*

Party, passengers, their baggage, cargo, or mail carried for compensation and destined for another point in the territory of that other Contracting Party.

ARTICLE 2

CARRIER DESIGNATION

Each of the air services so described may be placed in operation as soon as the Contracting Party to whom the rights have been granted by Article 1 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 6 hereof, be bound to give the appropriate operating permission to the airline or airlines concerned.

ARTICLE 2 BIS

DESIGNATION AND AUTHORIZATION

(a) 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, and shall identify whether the airline is authorized to conduct the type of air transportation specified in Annex I or in Annex II or both.

(b) On receipt of such a designation, and of applications from the designated airline, in the form and manner prescribed for operating authorizations and technical permissions, notwithstanding Article 2, the other Contracting Party shall grant appropriate authorizations and permissions with minimum procedural delay, provided:

- (1) all requirements set forth in Article 2 above and Article 6 below are met;
- (2) the designated airline is qualified to meet the conditions prescribed under the laws and regulations normally applied to the operation of international

air transportation by the Contracting Party considering the application or applications; and

- (3) the Contracting Party designating the airline is maintaining and administering the standards set forth in Article 4 (Safety) and Article 8 (Aviation Security).

ARTICLE 3

DEFINITIONS

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

(a) "Aeronautical authorities" means, in the case of the United States, the Department of Transportation, or its successor, and in the case of /Denmark/ {Norway} [Sweden], the /{Ministry of Transport}/ {and Communications} [Civil Aviation Administration] and any person or agency authorized to perform the functions exercised by the said /{Ministry of Transport}/ {and Communications} [Civil Aviation Administration];

(b) "Agreement" means this Agreement, its Annexes, and any amendments thereto;

(c) "Air transportation" means the public carriage by aircraft of passengers, baggage, cargo and mail, separately or in combination, for remuneration or hire;

(d) "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on December 7, 1944, and includes:

- (1) any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by both Parties, and
- (2) 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 Parties;

(e) "Designated airline" means an airline designated and authorized in accordance with Articles 2 and 2 bis of this Agreement;

(f) "Full cost" means the cost of providing service plus a reasonable charge for administrative overhead;

(g) "International air transportation" means air transportation that passes through the airspace over the territory of more than one State;

(h) "Price" means any fare, rate or charge for the carriage of passengers (and their baggage) and/or cargo (excluding mail) in air transportation charged by airlines, including their agents, and the conditions governing the availability of such fare, rate or charge;

(i) "Stop for non-traffic purposes" means a landing for any purpose other than taking on or discharging passengers, baggage, cargo and/or mail in air transportation;

(j) "Territory" means the land areas under the sovereignty, jurisdiction, protection, or trusteeship of a Contracting Party, and the territorial waters adjacent thereto; and

(k) "User charge" means a charge imposed on airlines for the provision of airport, air navigation, or aviation security facilities or services including related services and facilities.

ARTICLE 4

SAFETY

(a) 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 and still in force for the purpose of operating the routes and services described in the Annexes, provided that the requirements for such certificates or licenses at least equal the minimum standards that may be established pursuant to the Convention. 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.

(b) 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 authorization 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 5

APPLICATION OF LAWS

(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 without distinction as to nationality, 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, aviation security and quarantine or, in the case of mail, postal regulations 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 6

REVOCATION OF AUTHORITY

(a) Each contracting party reserves the right to withhold or revoke a certificate or permit to an airline of the other party in any case where it is not satisfied that substantial ownership and effective control are vested in nationals of a party to this agreement, or in case of failure of an airline to comply with the laws of the State over which it operates as described in Article 5 hereof.

(b) Unless immediate action is essential to prevent further noncompliance with Articles 4 or 5, the rights established by this Article shall be exercised only after consultation with the other Contracting Party.

ARTICLE 7

USER CHARGES

(a) User charges that may be imposed by the competent charging authorities or bodies of each Contracting Party on the airlines of the other Contracting Party shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. In any event, any such user charges shall be assessed on the airlines of the other Contracting Party on terms not less favorable than the most favorable terms available to any other airline at the time the charges are assessed.

(b) User charges imposed on the airlines of the other Contracting Party may reflect, but shall not exceed, the full cost to the competent charging authorities or bodies of providing the appropriate airport, airport environmental, air navigation, and aviation security facilities and services at the airport or within the airport system. Such full cost may include a reasonable return on assets, after depreciation. Facilities and services for which charges are made shall be provided on an efficient and economic basis.

(c) Each Contracting Party shall encourage consultations between the competent charging authorities or bodies in its territory and the airlines using the services and facilities, and shall encourage the competent charging authorities or bodies and the airlines to exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the principles of paragraphs (a) and (b) of this Article. Each Contracting Party shall encourage the competent

charging authorities to provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before changes are made.

(d) Neither Contracting Party shall be held, in dispute resolution procedures pursuant to Article 15, to be in breach of a provision of this Article, unless (1) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Contracting Party within a reasonable amount of time; or (2) following such a review it fails to take all steps within its power to remedy any charge or practice that is inconsistent with this Article.

ARTICLE 8

AVIATION SECURITY

(a) 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 their civil air transport relations. 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 Offenses and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on September 14, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on December 16, 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on September 23, 1971 and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Aviation, signed at Montreal, February 22, 1988.

(b) 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 such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

(c) The Contracting Parties shall, in their mutual relations, act in conformity with all security standards and appropriate recommended practices established by the International Civil Aviation Organization and designated as Annexes to the Convention; 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 and the operators of airports in their territory act in conformity with such aviation security provisions.

(d) Each Contracting Party agrees to observe the security provisions 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 special security measures to meet a particular threat.

(e) 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.

(f) When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the aviation security provisions of this Article, that Contracting Party may request immediate consultations with the other Contracting Party. Inability to reach a satisfactory agreement within 15 days from the date of receipt of such request for consultation shall constitute grounds to withhold, revoke, limit, or impose conditions on the operating authorization and technical permissions of an airline or airlines of that Contracting Party. Notwithstanding any other provision of this Agreement and only when required by an emergency, a Contracting Party may take interim action prior to the expiry of 15 days.

ARTICLE 9

PRICING

(a) Each Contracting Party shall allow prices for air transportation to be established by each designated airline based upon commercial considerations in the marketplace. Intervention by the Contracting Parties shall be limited to:

- (1) prevention of unreasonably discriminatory prices or practices;
- (2) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position; and

- (3) protection of airlines from prices that are artificially low due to direct or indirect governmental subsidy or support.

(b) Each Contracting Party may require notification to or filing with its aeronautical authorities of prices to be charged to or from its territory by airlines of the other Contracting Party. Notification or filing by the airlines of both Contracting Parties may be required no more than 30 days before the proposed date of effectiveness. In individual cases, notification or filing may be permitted on shorter notice than normally required. Neither Contracting Party shall require the notification or filing by airlines of the other Contracting Party of prices charged by charterers to the public.

(c) Neither Contracting Party shall take unilateral action to prevent the inauguration or continuation of a price proposed to be charged or charged by (1) an airline of either Contracting Party for international air transportation between the territories of the Contracting Parties, or (2) an airline of one Contracting Party for international air transportation between the territory of the other Contracting Party and any other country, including in both cases transportation on an interline or intraline basis, provided that, in the case of services to or from third countries to which Council Resolution (EEC) no. 2409/92 of 23 July 1992 applies on the date these Amendments enter into force, such price is not specifically prohibited under that Regulation.^{*/} If either Contracting Party believes that any such price is inconsistent with the considerations set forth in paragraph (a) of this Article, it shall request consultations and notify the other Contracting Party of the reasons for its dissatisfaction as soon as possible. These consultations shall be held not later than 30 days after receipt of the request, and the Contracting Parties shall cooperate in securing information necessary for reasoned resolution of the issue. If the Contracting Parties reach agreement with respect to a price for which a notice of dissatisfaction has been given, each Contracting Party shall use its best efforts to put that agreement into effect. Without such mutual agreement, the price shall go into effect or continue in effect.

(d) Notwithstanding paragraphs (a) through (c) above, each designated airline has the right to match any price offered in the marketplace.

^{*/} Ed. note: EU membership as of this date was Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

ARTICLE 10

FAIR COMPETITION

(a) There shall be a fair and equal opportunity for the airlines of each Contracting Party to compete in providing the international air transportation governed by this Agreement.

(b) Each Contracting Party shall allow each designated airline to determine the frequency and capacity of the international air transportation it offers based upon 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 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.

(c) Neither Contracting Party shall impose on the other Contracting Party's designated airlines a first-refusal requirement, uplift ratio, no-objection fee, or any other requirement with respect to capacity, frequency or traffic that would be inconsistent with the purposes of this Agreement.

(d) Neither Contracting Party shall require the filing of schedules, programs for charter flights, or operational plans by airlines of the other Contracting Party for approval, except as may be required on a non-discriminatory basis to enforce the uniform conditions foreseen by paragraph (b) of this Article or as may be specifically authorized in an Annex to this Agreement. If a Contracting Party requires filings for information purposes, it shall minimize the administrative burdens of filing requirements and procedures on air transportation intermediaries and on designated airlines of the other Contracting Party.

ARTICLE 11

COMMERCIAL OPPORTUNITIES

(a) The 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 transportation.

(b) The designated airlines of each Contracting Party shall be entitled, in accordance with the laws and regulations of the other Contracting Party relating to entry, residence, and

employment, to bring in and maintain in the territory of the other Contracting Party managerial, sales, technical, operational, and other specialist staff required for the provision of air transportation.

(c) 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. 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 as if self-handling were possible.

(d) Any airline of each Contracting Party may engage in the sale of air transportation in the territory of the other Contracting Party directly, and, at the airline's discretion, through its agents, except as may be specifically provided by the charter regulations of the country in which the charter originates that relate to the protection of passenger funds, and passenger cancellation and refund rights. Each airline shall have the right to sell such transportation, and any person shall be free to purchase such transportation, in the currency of that territory or in freely convertible currencies.

(e) Each airline shall have the right to convert and remit to its country, on demand, local revenues in excess of sums locally disbursed. Conversion and remittance shall be permitted promptly without restrictions or taxation in respect thereof at the rate of exchange applicable to current transactions and remittance on the date the carrier makes the initial application for remittance.

(f) The 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 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.

(g) In operating or holding out the authorized services on the agreed routes, provided that all airlines in such arrangements 1) hold the appropriate authority and 2) meet the requirements normally applied to such arrangements, any designated airline of one Contracting Party may enter into cooperative marketing arrangements such as blocked-space, code-sharing or other arrangements, with

- A) an airline or airlines of either Contracting Party; and
- B) an airline or airlines of a third country, provided that such third country authorizes or allows comparable arrangements between the airlines of the other Contracting Party and other airlines on services to, from and via such third country.

Notwithstanding the proviso of (B) above, if an airline of one Contracting Party holds out service between a point in the other Contracting Party and a point in a third country by means of a code-share arrangement on any segment of that service with an airline of the other Contracting Party, the first Contracting Party must authorize or allow any airline of the other Contracting Party to code share with any airline on any segment of services between that third country and the other Contracting Party via a point or points in the first Contracting Party.

ARTICLE 12

CUSTOMS DUTIES AND CHARGES

(a) On arriving in the territory of one Contracting Party, aircraft operated in international air transportation by the designated airlines of the other Contracting Party, their regular equipment, ground equipment, fuel, lubricants, consumable technical supplies, spare parts (including engines), aircraft stores (including but not limited to such items as food, beverages and liquor, tobacco and other products destined for sale to or use by passengers in limited quantities during flight), and other items intended for or used solely in connection with the operation or servicing of aircraft engaged in international air transportation shall be exempt, on the basis of reciprocity, from all import restrictions, property taxes and capital levies, customs duties, excise taxes, and similar fees and charges that are (1) imposed by the national authorities, and (2) not based on the cost of services provided, provided that such equipment and supplies remain on board the aircraft.

(b) There shall also be exempt, on the basis of reciprocity, from the taxes, levies, duties, fees and charges referred to in paragraph (a) of this Article, with the exception of charges based on the cost of the service provided:

- (1) aircraft stores introduced into or supplied in the territory of a Contracting Party and taken on board, within reasonable limits, for use on outbound aircraft of an airline of the other Contracting Party engaged in international air transportation, even when these stores are to be used on a part of the journey performed over the territory of the Contracting Party in which they are taken on board;
- (2) ground equipment and spare parts (including engines) introduced into the territory of a Contracting Party for the servicing, maintenance, or repair of aircraft

of an airline of the other Contracting Party used in international air transportation;

- (3) fuel, lubricants and consumable technical supplies introduced into or supplied in the territory of a Contracting Party for use in an aircraft of an airline of the other Contracting Party engaged in international air transportation, even when these supplies are to be used on a part of the journey performed over the territory of the Contracting Party in which they are taken on board; and
- (4) promotional and advertising materials introduced into or supplied in the territory of one Contracting Party and taken on board, within reasonable limits, for use on outbound aircraft of an airline of the other Contracting Party engaged in international air transportation, even when these stores are to be used on a part of the journey performed over the territory of the Contracting Party in which they are taken on board.

(c) Equipment and supplies referred to in paragraphs (a) and (b) of this Article may be required to be kept under the supervision or control of the appropriate authorities.

(d) The exemptions provided by this Article shall also be available where the designated airlines of one Contracting Party have contracted with another airline, which similarly enjoys such exemptions from the other Contracting Party, for the loan or transfer in the territory of the other Party of the items specified in paragraphs (a) and (b) of this Article.

ARTICLE 13

INTERMODAL SERVICES

Notwithstanding any other provision of this Agreement, airlines and indirect providers of cargo transportation of both Contracting Parties shall be permitted, without restriction, to employ in connection with international air transportation any surface transportation for cargo to or from any points in the territories of the Contracting Parties or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Airlines may elect to perform their own surface transportation or to provide it

through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo air transportation. Such intermodal services may be offered at a single, through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

ARTICLE 14

CONSULTATIONS

Consultation between the competent authorities of both contracting parties may be requested at any time by either contracting party for the purpose of discussing the interpretation, application, or amendment of the Agreement or Annexes. Such consultation shall begin within a period of sixty (60) days from the date of the receipt of the request by the Department of State of the United States of America or the Ministry for Foreign Affairs of /Denmark/ {Norway} [Sweden] as the case may be. Should agreement be reached on amendment of the Agreement or its Annexes, such amendment will come into effect upon confirmation by an exchange of diplomatic notes.

ARTICLE 15

SETTLEMENT OF DISPUTES

Except as otherwise provided in this Agreement, any dispute between the contracting parties relative to the interpretation or application of this Agreement which cannot be settled through consultation shall be submitted for an advisory report to a tribunal of three arbitrators, one to be named by each contracting party, and the third to be agreed upon by the two arbitrators so chosen, provided that such third arbitrator shall not be a national of either contracting party. Each of the contracting parties shall designate an arbitrator within two months of the date of delivery by either party to the other party of a diplomatic note requesting arbitration of a dispute; and the third arbitrator shall be agreed upon within one month after such period of two months.

If either of the contracting parties fails to designate its own arbitrator within two months, or if the third arbitrator is not agreed upon with the time limit indicated, either party may request the President of the *International Civil Aviation Organization* to make the necessary appointment or appointments by choosing the arbitrator or arbitrators.

The contracting parties will use their best efforts under the powers available to them to put into effect the opinion expressed in any such advisory report. A moiety of the expenses of the arbitral tribunal shall be borne by each party.

ARTICLE 16

REGISTRATION WITH ICAO

This agreement and all *amendments thereto* shall be registered with the Civil Aviation Organization.

ARTICLE 17

TERMINATION

Either contracting party may terminate the rights for services granted by it under this agreement by giving one year's notice to the other contracting party.

ANNEX I

SCHEDULED AIR TRANSPORTATION

Section 1

Routes

Airlines of each Contracting Party designated under this Annex shall, in accordance with the terms of their designation, be entitled to perform scheduled international air transportation between points on the following routes:

A. Routes for the airline or airlines designated by the Government of the United States of America:

From points behind the United States via the United States and intermediate points to a point or points in /Denmark/ {Norway} [Sweden] and beyond.

B. Routes for the airline or airlines designated by the Government of /Denmark/ {Norway} [Sweden]:

From points behind /Denmark/ {Norway} [Sweden] and intermediate points to a point or points in the United States and beyond.

Section 2

Operational Flexibility

Each designated airline may, on any or all flights and at its option:

1. operate flights in either or both directions;
2. combine different flight numbers within one aircraft operation;
3. serve behind, intermediate, and beyond points and points in the territories of the Contracting Parties on the routes in any combination and in any order;
4. omit stops at any point or points;
5. transfer traffic from any of its aircraft to any of its other aircraft at any point on the routes; and
6. serve points behind any point in its territory with or without change of aircraft or flight number and may

hold out and advertise such services to the public as through services:

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under this Agreement; provided that the service serves a point in the territory of the Contracting Party designating the airline.

Section 3

Change of Gauge

On any segment or segments of the routes above, any designated airline may perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated; provided that, in the outbound direction, the transportation beyond such point is a continuation of the transportation from the territory of the Party that has designated the airline and, in the inbound direction, the transportation to the territory of the Party that has designated the airline is a continuation of the transportation beyond such point.

ANNEX II

CHARTER AIR TRANSPORTATION

Section 1

Airlines of each contracting party designated under this Annex shall, in accordance with the terms of their designation, have the right to carry international charter traffic of passengers (and their accompanying baggage) and/or cargo (including, but not limited to, freight forwarder, split, and combination (passenger/cargo) charters):

between any point or points in the territory of the Contracting Party that has designated the airline and any point or points in the territory of the other Party; and

between any point or points in the territory of the other Contracting Party and any point or points in a third country or countries, provided that such service constitutes part of a continuous operation, with or without a change of aircraft, that includes service to the homeland for the purpose of carrying local traffic between the homeland and the territory of the other Contracting Party.

In the performance of services covered by this Annex, airlines of each Contracting Party designated under this Annex shall also have the right: (1) to make stopovers at any points whether within or outside of the territory of either Contracting Party; (2) to carry transit traffic through the other Contracting Party's territory; and (3) to combine on the same aircraft traffic originating in one Contracting Party's territory, traffic originating in the other Contracting Party's territory, and traffic originating in third countries.

Each Contracting Party shall extend favorable consideration to applications by airlines of the other Contracting Party to carry traffic not covered by this Annex on the basis of comity and reciprocity.

Section 2

Any airline designated by either Contracting Party performing international charter air transportation originating in the territory of either Contracting Party, whether on a one-way or round-trip basis, shall have the option of complying with the charter laws, regulations, and rules either of its homeland or of the other Contracting Party. If a Contracting Party applies different rules, regulations, terms, conditions, or limitations to one or more of its airlines, or to airlines of different

countries, each designated airline shall be subject to the least restrictive of such criteria.

However, nothing contained in the above paragraph shall limit the rights of either Contracting party to require airlines designated under this Annex by either Contracting party to adhere to requirements relating to the protection of passenger funds and passenger cancellation and refund rights.

Section 3

Except with respect to the consumer protection rules referred to in the preceding paragraph above, neither Contracting Party shall require an airline designated under this Annex by the other Contracting Party, in respect of the carriage of traffic from the territory of that other Contracting Party or of a third country on a one-way or round-trip basis, to submit more than a declaration of conformity with the applicable laws, regulations and rules referred to under section 2 of this Annex or of a waiver of these laws, regulations, or rules granted by the applicable aeronautical authorities.

ANNEX III

**PRINCIPLES OF NON-DISCRIMINATION WITHIN AND
COMPETITION AMONG COMPUTER RESERVATIONS SYSTEMS**

Recognizing that Article 10 (Fair Competition) of the U.S.-Denmark {Norway} [Sweden] Agreement guarantees the airlines of both Contracting Parties a "fair and equal opportunity to compete,"

Considering that one of the most important aspects of the ability of an airline to compete is its ability to inform the public of its services in a fair and impartial manner, and that, therefore, the quality of information about airline services available to travel agents who directly distribute such information to the traveling public and the ability of an airline to offer those agents competitive computer reservations systems (CRSs) represent the foundation for an airline's competitive opportunities, and

Considering that it is equally necessary to ensure that the interests of the consumers of air transport products are protected from any misuse of such information and its misleading presentation and that airlines and travel agents have access to effectively competitive computer reservations systems:

1. The contracting parties agree that CRSs will have integrated primary displays for which:

- a. Information regarding international air services, including the construction of connections on those services, shall be edited and displayed based on non-discriminatory and objective criteria that are not influenced, directly or indirectly, by airline or market identity. Such criteria shall apply uniformly to all participating airlines.
- b. CRS data bases shall be as comprehensive as possible.
- c. CRS vendors shall not delete information submitted by participating airlines; such information shall be accurate and transparent; for example, code-shared and change-of-gauge flights and flights with stops should be clearly identified as having those characteristics.
- d. All CRSs that are available to travel agents who directly distribute information about airline services to the traveling public in either Contracting Party's territory shall not only be obligated to, but shall also be entitled to, operate in conformance with the

CRS rules that apply in the territory where the CRS is being operated.

- e. Travel agents shall be allowed to use any of the secondary displays available through the CRS so long as the travel agent makes a specific request for that display.

2. A Contracting Party shall require that each CRS vendor operating in its territory allow all airlines willing to pay any applicable non-discriminatory fee to participate in its CRS. A Contracting Party shall require that all distribution facilities that a system vendor provides shall be offered on a non-discriminatory basis to participating airlines. A Contracting Party shall require that CRS vendors display, on a non-discriminatory, objective, carrier-neutral and market-neutral basis, the international air services of participating airlines in all markets in which they wish to sell those services. Upon request, a CRS vendor shall disclose details of its data base update and storage procedures, its criteria for editing and ranking information, the weight given to such criteria, and the criteria used for selection of connect points and inclusion of connecting flight.

3. CRS vendors operating in the territory of one Contracting Party shall be entitled to bring in, maintain, and make freely available their CRSs to travel agencies or travel companies whose principal business is the distribution of travel-related products in the territory of the other Contracting Party, if the CRS complies with these principles.

4. Neither Contracting Party shall, in its territory, impose or permit to be imposed on the CRS vendors of the other Contracting Party more stringent requirements with respect to access to and use of communications facilities, selection and use of technical CRS hardware and software, and the technical installation of CRS hardware, than those imposed on its own CRS vendors.

5. Neither Contracting Party shall, in its territory, impose or permit to be imposed on the CRS vendors of the other Contracting Party more restrictive requirements with respect to CRS displays (including edit and display parameters), operation, or sale than those imposed on its own CRS vendors.

6. CRSs in use in the territory of one Contracting Party that comply with these principles and other relevant non-discriminatory regulatory, technical, and security standards shall be entitled to effective and unimpaired access in the territory of the other Contracting Party. One aspect of this is that a

designated airline shall participate in such a system as fully in its homeland territory as it does in any system offered to travel agents in the territory of the other Contracting Party. Owners/operators of CRSs of one Contracting Party shall have the same opportunity to own/operate CRSs that conform to these principles within the territory of the other Contracting Party as do owners/operators of that Contracting Party. Each Contracting Party shall ensure that its airlines and its CRS vendors do not discriminate against travel agents in their homeland territory because of their use or possession of a CRS also operated in the territory of the other Contracting Party.