

Memorandum for the Cabinet
by the Hon. Prime Minister & Minister of Commonwealth & Foreign Affairs

UK - Malta Air Services Agreement

A delegation of three Officials from the United Kingdom Ministry of Aviation and one from the British European Airways Corporation visited Malta and held talks with a Malta Delegation from the 3rd to the 5th May on the subject of an air services agreement between the two countries.

2. As a result the enclosed text of an agreement and its schedule has been agreed and initialled by the Leader of the U.K. Delegation (Mr. G.C. Lowe) and by the Director of Civil Aviation, both of whom, subject only to reference to the legal and treaty experts of their countries, agreed to advise their Governments to conclude and sign the agreement.

3. Both delegations looked forward to an expansion of air services linking the two countries and each, recognizing that a mutual interest might arise in the development of services other than those for which provision is made in the schedule, stated, in an agreed minute, that it would welcome proposals for consultation in the future with a view to providing for such air services.

4. The text of the agreement follows the usual pattern of similar agreements some hundreds of which have been signed by States since the Convention on International Civil Aviation was opened for signature on the 7th December, 1944. The agreement also incorporates most of the model clauses for such bilateral agreements as were developed

at the Third Session of the European Civil Aviation Conference held in March, 1959. It is hoped that similar agreements will, in the future, be negotiated and signed with Italy, Libya, Switzerland, Germany, Tunisia, the Netherlands, Belgium, etc.

5. Under the Agreement each Contracting Party grants to the other the right to operate air services between Malta and London. The U.K. airline will have the right to pick up traffic in passengers, cargo and mail from points in Italy and putting it down in Malta as well as of course picking up passengers, mail and cargo from Malta and putting them down at points in Italy. The Malta airline will have the right to pick up traffic in passengers, mail and cargo from points in Germany and a point in Switzerland and putting them down in London as well as picking up passengers, mail and cargo from London and putting them down at points in Germany and a point in Switzerland. The above routes give us the advantage of our airline developing traffic between Germany/Switzerland and Malta, which is as yet untapped.

6. The operation of direct air services between the following countries, is of course, unaffected by the present agreement :-

Malta	-	Italy
U.K.	-	Italy
Malta	-	Germany
U.K.	-	Germany
U.K.	-	Switzerland
Malta	-	Switzerland

7. There is at present an all freight services operated through Malta by a United Kingdom carrier

/(British)

(British United Airways). This service is provided for in Route (2) in Part 1 of the Schedule to the Agreement.

Although the United Kingdom delegation were prepared to forego this route, it was considered by the Malta delegation that it was as much in the interest of Malta that such a service should continue to operate through here as it was in the interest of the United Kingdom to obtain the relative traffic rights. Hence such traffic rights were conceded but a note to the effect that the operations on Route (2) were for the carriage of cargo and mail only, was entered in the Schedule.

8. In order to operate the above services (some of which are, of course, being operated already) the Contracting Parties will:-

- (a) have the right to designate airlines (Article 3);
- (b) grant operating authorizations (Article 3);
- (c) grant exemption from customs duties on aircraft, spare parts, equipment, fuel, lubricants, food, beverages and tobacco (Article 5);
- (d) exchange statistics (Article 9);
- (e) allow free transfer of profits (Article 10);
- (f) consult with one another regarding modifications to the agreement (Article 11);
- (g) resort to arbitration in case of disputes (Article 12)

9. It will be noted that a Contracting State has the right to refuse to grant (Article 3) or to revoke (Article 4) an operating authorization to an airline if that State is not satisfied that substantial ownership and effective control of that airline are vested in the contracting party designating the airline or in its nationals. This is generally

taken to mean that at least 51% of the share holding is owned by that State or its nationals.

10. Article 8 stipulates the considerations which would apply in the agreement of tariffs and in the use, where possible, of the rate fixing machinery of the International Air Transport Association.

11. Hon. Ministers are kindly asked to approve that the Agreement be concluded. The Director of Civil Aviation will be duly authorized to sign the Agreement.

11th July, 1966.

AGREED MINUTE

Delegations representing the aeronautical authorities of the United Kingdom and of Malta met in Valletta from 3rd to 5th May, 1966, for the purpose of negotiating an air services agreement between the two countries.

The attached texts of the agreement and its schedule were agreed between the delegations, both of which, subject only to reference to the legal and treaty experts of their countries, would advise their Governments to conclude and sign the agreement.

Both delegations looked forward to an expansion of air services linking the two countries and each, recognizing that a mutual interest might arise in the development of services other than those for which provision is made in the schedule, stated that it would welcome proposals for consultation in the future with a view to providing for such air services.

(Sd) G.C. Lowe

For the aeronautical
authorities of the United Kingdom
of Great Britain and Northern
Ireland.

(Sd) G.H. Ferro

For the aeronautical
authorities of Malta,
G.C.

Valletta,
5th May, 1966.

AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND AND THE GOVERNMENT OF
MALTA FOR AIR SERVICES BETWEEN AND BEYOND
THEIR RESPECTIVE TERRITORIES

The Government of the United Kingdom of Great Britain
and Northern Ireland and the Government of Malta,

Being parties to the Convention on International
Civil Aviation opened for signature at Chicago on the
seventh day of December, 1944, and

Desiring to conclude an Agreement, supplementary to
the said Convention, for the purpose of establishing air
services between and beyond their respective territories,

Have agreed as follows:

ARTICLE 1

For the purpose of the present Agreement, unless the context
otherwise requires:-

- (a) the term "the Convention" means the Convention on
International Civil Aviation opened for signature at Chicago
on the seventh day of December 1944 and includes any Annex
adopted under Article 90 of that Convention and any amendment
of the Annexes or Convention under Articles 90 and 94 thereof
so far as those Annexes and amendments have become effective
for or been ratified by both Contracting Parties;
- (b) The term "aeronautical authorities" means, in the case of
the United Kingdom, the Minister of Aviation and any person
or body authorised to perform any functions at present
exercisable by the said Minister or similar functions, and,
in the case of Malta, the Director of Civil Aviation and any
person or body authorised to perform any functions at present
exercisable by the said Director or similar functions;
- (c) the term "designated airline" means any airline which
has been designated and authorised in accordance with Article
3 of the present Agreement;
- (d) the term "territory" in relation to a State means the
land areas and territorial waters adjacent thereto under the
sovereignty, protection or trusteeship of that State; and
- (e) the terms "air service", "international air service",
"airline" and "stop for non-traffic purposes" have the
meanings respectively assigned to them in Article 96 of the
Convention.

ARTICLE 2

(1) Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement for the purpose of establishing scheduled international air services on the routes specified in the appropriate Section of the Schedule annexed to the present Agreement. Such services and routes are hereafter called "the agreed services" and "the specified routes" respectively. The airlines designated by each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following rights:

- (a) to fly without landing across the territory of the other Contracting Party;
- (b) to make stops in the said territory for non-traffic purposes; and
- (c) to make stops in the said territory at the points specified for that route in the Schedule to the present Agreement for the purpose of putting down and taking up international traffic in passengers, cargo and mail.

(2) Nothing in paragraph (1) of this Article shall be deemed to confer on the airlines of one Contracting Party the privilege of taking up, in the territory of the other Contracting Party, passengers, cargo or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

(3) The present Agreement shall not apply to State aircraft used as military, customs or police aircraft.

ARTICLE 3

(1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the specified routes.

(2) On receipt of such designation, the aeronautical authorities of the other Contracting Party shall, subject to the provisions of paragraphs (3) and (4) of this Article, without delay grant to the airline or airlines designated the appropriate operating authorisations.

(3) The aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally

and/.....

and reasonably applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.

(4) The aeronautical authorities of each Contracting Party shall have the right to refuse to grant the operating authorisations referred to in paragraph (2) of this Article, or to impose such conditions as they may deem necessary on the exercise by a designated airline of the rights specified in Article 2 of the present Agreement, in any case where the said aeronautical authorities are not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.

(5) When an airline has been so designated and authorised, it may begin at any time to operate the agreed services, provided that a tariff established in accordance with the provisions of Article 8 of the present Agreement is in force in respect of that service.

(6) Each Contracting Party shall have the right, by written notification to the other Contracting Party, to withdraw the designation of any airline and to substitute therefor the designation of another airline.

ARTICLE 4.

(1) The aeronautical authorities of each Contracting Party shall have the right to revoke an operating authorisation or to suspend the exercise of the rights specified in Article 2 of the present Agreement by an airline designated by the other Contracting Party, or to impose such conditions as they may deem necessary on the exercise of these rights:

- (a) in any case where they are not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in nationals of such Contracting Party, or
- (b) in the case of failure by that airline to comply with the laws or regulations in force in the territory of the Contracting Party granting these rights, or
- (c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under the present Agreement.

(2) Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph (1) of this Article is essential to prevent further infringements of laws or regulations, such right shall be exercised only after consultation with the other Contracting Party.

ARTICLE 5

(1) Aircraft operated on international services by the designated airlines of either Contracting Party, as well as their regular equipment, supplies of fuels and lubricants, and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees and other similar charges on arriving in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported or are used on the part of the journey performed over that territory.

(2) There shall also be exempt from the same duties, fees and charges, with the exception of charges corresponding to the service performed:

- (a) aircraft stores taken on board in the territory of a Contracting Party, within limits fixed by the authorities of the said Contracting Party, and for use on board outbound aircraft engaged in an international service of the other Contracting Party;
- (b) spare parts introduced into the territory of either Contracting Party for the maintenance or repair of aircraft used on international services by the designated airlines of the other Contracting Party;
- (c) fuel and lubricants destined to supply outbound aircraft operated on international services by the designated airlines of the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they are taken on board.

Materials referred to in sub-paragraphs (a), (b) and (c) above may be required to be kept under Customs supervision or control.

ARTICLE 6/....

ARTICLE 6

The regular airborne equipment, as well as the materials and supplies retained on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the Customs authorities of that territory. In such case, they may be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with Customs regulations.

ARTICLE 7

(1) There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate the agreed services on the specified routes between their respective territories.

(2) In operating the agreed services, the airlines of each Contracting Party shall take into account the interests of the airlines of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same routes.

(3) The agreed services provided by the designated airlines of the Contracting Parties shall bear 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, cargo and mail originating from or destined for the territory of the Contracting Party which had designated the airline. Provision for the carriage of passengers, cargo and mail both taken up and put down 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 airline 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 8/.....

ARTICLE 8

(1) The tariffs to be charged by the airlines of one Contracting Party for carriage to or from the territory of the other Contracting Party shall be established at reasonable levels due regard being paid to all relevant factors including cost of operation, reasonable profit and the tariffs of other airlines.

(2) The tariffs referred to in paragraph (1) of this Article, together with the rates of agency commission applicable, shall, if possible, be agreed by the designated airlines concerned of both Contracting Parties, in consultation with other airlines operating over the whole or part of the route, and such agreement shall, where possible, be reached through the rate-fixing machinery of the International Air Transport Association.

(3) The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of the Contracting Parties at least thirty (30) days before the proposed date of their introduction; in special cases, this time limit may be reduced, subject to the agreement of the said authorities.

(4) If the designated airlines cannot agree on any particular tariffs, or if for some other reason any particular tariff cannot be fixed in accordance with the provisions of paragraph (2) of this Article, or if during the first fifteen (15) days of the thirty (30) days' period referred to in paragraph (3) of this Article one Contracting Party gives the other Contracting Party notice of its dissatisfaction with any particular tariff agreed in accordance with the provisions of paragraph (2) of this Article, the aeronautical authorities of the Contracting Parties shall try to determine the tariff by agreement between themselves.

(5) If the aeronautical authorities cannot agree on the approval of any particular tariff submitted to them under paragraph (3) of this Article or on the determination of any particular tariff under paragraph (4), the dispute shall be settled in accordance with the provisions of Article 12 of the present Agreement.

(6) Subject to the provisions of paragraphs (3) and (5) of this Article, no tariff shall come into force if the aeronautical authorities of either Contracting Party have not approved it.

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(7) The tariffs established in accordance with the provisions of this Article shall remain in force until new tariffs have been established in accordance with the provisions of this Article.

ARTICLE 9

The aeronautical authorities of a Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request such periodic or other statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airlines of the Contracting Party referred to first in this Article. Such statements shall include all information required to determine the amount of traffic carried by those airlines on the agreed services and the origins and destinations of such traffic.

ARTICLE 10

Each Contracting Party grants to the designated airlines of the other Contracting Party the right of free transfer at the official rate of exchange of the excess of receipts over expenditure earned by those airlines in its territory in connection with the carriage of passengers, mail and cargo.

ARTICLE 11

(1) In a spirit of close co-operation, the aeronautical authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with, the provisions of the present Agreement and the Schedule annexed hereto and shall also consult when necessary to provide for modification thereof.

(2) Either Contracting Party may request consultation, which may be through discussion or by correspondence and shall begin within a period of sixty (60) days of the date of the request, unless both Contracting Parties agree to an extension of this period.

ARTICLE 12/.....

ARTICLE 12

(1) If any dispute arises between the Contracting Parties relating to the interpretation or application of the present Agreement, the Contracting Parties shall in the first place endeavour to settle it by negotiation.

(2) If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body; if they do not so agree, the dispute shall at the request of either Contracting Party be submitted for decision to a tribunal of three arbitrators, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of receipt by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute by such a tribunal and the third arbitrator shall be appointed within a further period of sixty (60) days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation Organisation at the request of either Contracting Party may appoint an arbitrator or arbitrators as the case requires. In such case, the third arbitrator shall be a national of a third State and shall act as President of the arbitral tribunal.

(3) The Contracting Parties shall comply with any decision given under paragraph (2) of this article.

ARTICLE 13

If either of the Contracting Parties considers it desirable to modify any provision of the present Agreement including the Schedule annexed hereto, such modification, if agreed between the Contracting Parties and if necessary after consultation in accordance with Article 11 of the present Agreement, shall come into effect when confirmed by an Exchange of Letters.

ARTICLE 14

The present Agreement and its Schedule shall be deemed to be amended without further agreement as may be

necessary to conform with any multilateral Convention or Agreement which may become binding on both Contracting Parties.

ARTICLE 15

Either Contracting Party may at any time give notice to the other Contracting Party of its decision to terminate the present Agreement; such notice shall be simultaneously communicated to the International Civil Aviation Organisation. In such case the Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry of this period. In the absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after the receipt of the notice by the International Civil Aviation Organisation.

ARTICLE 16

The present Agreement shall come into force on the date of signature.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement:

Done in duplicate this

day of

For the Government of the
United Kingdom of Great
Britain and Northern Ireland

For the Government of
Malta

SCHEDULE

PART I

Routes to be operated by the airline or airlines designated by the Government of the United Kingdom of Great Britain and Northern Ireland.

Point of Departure	Intermediate Points	Destination in Maltese Territory	Points Beyond
(Any one or more of the following)	(Any one or more of the following if desired)	(Any one or more of the following if desired)	(Any one or more of the following if desired)

(1)	London	Points in Italy	Malta	
(2)	London	Frankfurt Zurich Genoa	Malta	Aden Points in Africa

Note: Operations on Route (2) are for the carriage of cargo and mail only.

PART II

Routes to be operated by the airline or airlines designated by the Government of Malta.

Point of Departure	Intermediate Points	Destination in U.K. Territory	Points Beyond
(Any one or more of the following)	(Any one or more of the following if desired)	(Any one or more of the following if desired)	(Any one or more of the following if desired)

(1)	Malta	Points in Germany	London
(2)	Malta	A point in Switzerland	London