

**AGREEMENT BETWEEN
THE GOVERNMENT OF AUSTRALIA
AND
THE GOVERNMENT OF THE REPUBLIC OF CHILE
RELATING TO AIR SERVICES**

The Government of Australia and the Government of the Republic of Chile, hereinafter referred to as the Contracting Parties;

Desiring to promote an international air transport system based on competition among airlines in the market place with minimum governmental interference and regulation;

Desiring to facilitate the expansion of international air transport opportunities;

Desiring to make it possible for airlines to offer the travelling and shipping public a variety of service options at the lowest tariffs that are not predatory and do not represent abuse of a dominant position and wishing to encourage individual airlines to develop and implement innovative and competitive tariffs;

Desiring to ensure the highest degree of safety and security in international air transport and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardise the safety of persons or property, adversely affect the operation of air transportation, and undermine public confidence in the safety of civil aviation;

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

Desiring to conclude an agreement on air services,

Have agreed as follows:

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ARTICLE 1

Definitions

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

- (a) "aeronautical authorities" means in the case of Chile, the Civil Aeronautics Board of Chile, or its successor agency or agencies; and in the case of Australia the Department of Transport and Regional Development, or in both cases any person or body duly authorised to perform any functions exercised by the said authorities and as notified in writing from time to time by one Contracting Party to the other Contracting Party;
- (b) "Agreement" means this Agreement, its Annexes and any amendments thereto;
- (c) "agreed services" means scheduled air services on the routes specified in the Annex to this Agreement for the transport of passengers and cargo in accordance with agreed capacity principles;
- (d) "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944, and includes:
 - (i) any amendment which has entered into force under Article 94(a) of the Convention, and had been ratified by both Contracting Parties; and
 - (ii) any Annex or 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;
- (e) "designated airline" means an airline or airlines designated and authorised in accordance with Articles 2 (Designation) and 4 (Authorisation) of this Agreement;
- (f) "tariffs" means the prices which the designated airlines charge for the transport of passengers and cargo and the conditions under which those prices apply but excluding remuneration and conditions for carriage of mail;
- (g) "territory", "air service", "international air service", "airline" and "stop for non-traffic purposes" have the meaning respectively assigned to them in Articles 2 and 96 of the Convention;
- (h) "cargo" includes mail;
- (i) "ground handling" includes but is not limited to passenger, cargo and baggage handling, and the provision of catering facilities;
- (j) "specified route" means a route specified in the Annex to this Agreement.

ARTICLE 2

Designation

Each Contracting Party shall have the right to designate an airline or airlines to operate the agreed services on the specified routes, and to withdraw or alter such designations. Such designations and amendments shall be transmitted to the other Contracting Party in writing through diplomatic channels.

ARTICLE 3

Grant of Rights

1. Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement to enable its designated airlines to establish and operate international air services on the routes specified in the Annex.
2. Subject to the provisions of this Agreement, the designated airlines of each Contracting Party shall enjoy the following rights:
 - (a) the right to fly across the territory of the other Contracting Party without landing;
 - (b) the right to make stops in that territory for non-traffic purposes; and
 - (c) the right to make stops in the territory of the other Contracting Party at any point on the specified routes for the purpose of taking on board and discharging international traffic in passengers and cargo while operating an agreed service.
3. The airlines of each Contracting Party, other than those designated under Article 2 (Designation) of this Agreement, shall also enjoy the rights specified in paragraphs 2(a) and (b) of this Article.
4. Nothing in paragraph 2 of this Article shall be deemed to confer on the designated airlines of one Contracting Party the privilege of uplifting in the territory of the other Contracting Party, passengers and cargo, carried for remuneration or hire and for discharge at another point in the territory of that other Contracting Party.
5. At points on the specified routes, the designated airlines of one Contracting Party shall have the right to use all airways, airports and other facilities in the territory of the other Contracting Party on a non-discriminatory basis.
6. If because of armed conflict, political disturbances or developments, or special and unusual circumstances, the designated airlines of one Contracting Party are unable to operate a service on their normal routes, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary re-arrangements of such routes as mutually decided by the Contracting Parties.

ARTICLE 4

Authorisation

1. The agreed services may begin at any time, in whole or in part, but not before:
 - (a) the Contracting Party to whom the rights have been granted shall have designated pursuant to Article 2 (Designation) an airline or airlines for the specified route; and
 - (b) the Contracting Party granting the rights shall have given, with the least possible delay, the appropriate operating authorisations to the designated airline or airlines concerned (subject to the provisions of Article 5 [Revocation and Limitation of Authorisation]).

2. The aeronautical authorities of one Contracting Party may require designated airlines of the other Contracting Party to satisfy them that those airlines are qualified to fulfil the conditions prescribed under the laws and the regulations normally applied to the operation of international air services by such authorities in conformity with the provisions of the Convention.

ARTICLE 5

Revocation and Limitation of Authorisation

1. The aeronautical authorities of each Contracting Party shall, with respect to a designated airline of the other Contracting Party, have the right to withhold the authorisations referred to in Article 4 (Authorisation) of this Agreement, to revoke or suspend such authorisations or impose conditions, temporarily or permanently at any time during the exercise of the rights by the designated airline concerned:
 - (a) in the event of failure by the airline to qualify under or to comply with the laws and regulations normally applied by the aeronautical authorities of the Contracting Party in conformity with the Convention;
 - (b) in the event that the aeronautical authorities of the Contracting Party are not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or in its nationals; or
 - (c) in the event the airline fails to operate in accordance with the conditions prescribed under this Agreement.

2. Subject to Article 8 (Safety) and Article 9 (Aviation Security), the rights reserved in paragraph 1 of this Article shall be exercised by the aeronautical authorities of one Contracting Party only after consultation with the aeronautical authorities of the other Contracting Party in accordance with Article 17 (Consultations), unless the immediate revocation, suspension or imposition of conditions is necessary to prevent further infringements of the laws and regulations of the first mentioned Contracting Party.

3. This Article does not limit the rights of either Contracting Party to stop, limit or condition air transportation in accordance with the provisions of Article 8 (Safety) and 9 (Aviation Security).

ARTICLE 6

Application of Laws

1. The laws and regulations of one Contracting Party relating to entry into or departure from its territory of aircraft engaged in international services, or to the operation and navigation of such aircraft while within its territory shall apply to aircraft of designated airlines of the other Contracting Party.

2. The laws and regulations of one Contracting Party relating to entry into, sojourn in and departure from its territory of passengers, crew, cargo and aircraft (including laws and regulations concerning entry, clearance, aviation security, immigration, passports, customs, quarantine, or in the case of mail, postal laws and regulations) shall be applicable to the passengers, crew, cargo and the aircraft of designated airlines of the other Contracting Party while they are in the territory of the first Contracting Party. Such laws and regulations shall be applied equally by each Contracting Party to the passengers, crew, cargo and aircraft of all countries without distinction as to nationality of airline.

ARTICLE 7

Recognition of Certificates and Licences

1. Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Contracting Party and still in force, shall be recognised as valid by the other Contracting Party for the purpose of operating the agreed services provided that such certificates or licences were issued or rendered valid pursuant to, and in conformity with, the standards established under the Convention. Each Contracting Party reserves the right, however, to refuse to recognise, for the purpose of flights undertaken pursuant to rights granted under Article 3 (Grant of Rights) paragraph 2, certificates of competency and licences granted to its own nationals by the other Contracting Party.

2. If the privileges or conditions of the licences or certificates issued or rendered valid by one Contracting Party permit a difference from the standards established under the Convention, and that difference has been filed with the International Civil Aviation Organisation, the aeronautical authorities of the other Contracting Party may, without prejudice to the rights of the first Contracting Party under Article 8 (Safety), paragraph 2, request consultations in accordance with Article 17 (Consultations) of this Agreement with the aeronautical authorities of the first Contracting Party with a view to satisfying themselves that the practice in question is acceptable to them. Failure to reach a satisfactory agreement shall constitute grounds for the application of Article 5 (Revocation and Limitation of Authorisation) of this Agreement.

ARTICLE 8

Safety

1. Each Contracting Party may request consultations concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrew, 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 are at least equal to the minimum standards which 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. The other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within a reasonable time, and in any case within fifteen (15) days, shall be grounds for the application of paragraph 1 of Article 5 (Revocation and Limitation of Authorisation) of this Agreement.
2. When immediate action is essential to the safety of airline operations, a Contracting Party may take action under paragraph 1 of Article 5 (Revocation and Limitation of Authorisation) prior to consultations. Any application of paragraph 1 of Article 5 pursuant to this paragraph shall not be subject to paragraph 2 of Article 5.
3. Any action taken by one Contracting Party in accordance with paragraphs 1 and 2 of this Article shall be discontinued upon compliance by the other Contracting Party with the safety provisions of this Article.

ARTICLE 9

Aviation Security

1. In accordance with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to protect, in their mutual relationship, the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement.
2. 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 passengers, crew, aircraft, airports and air navigation facilities and any other threat to aviation security.
3. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall both act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, opened for signature at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, opened for signature at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, opened for signature at Montreal on 23 September 1971 and the Protocol for the

Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, opened for signature at Montreal on 24 February 1988 and any other multilateral agreement governing civil aviation security binding upon both Contracting Parties.

4. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organisation and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties; 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 as are applicable to the Contracting Parties. Accordingly each Contracting Party shall advise the other Contracting Party of any difference between its national regulations and practices and the aviation security standards of the Annexes referred to in paragraph 3 above. Either Contracting Party may request immediate consultations with the other Contracting Party at any time to discuss any such differences.

5. Each Contracting Party agrees that its operators of aircraft may be required to observe the aviation security provisions required by the other Contracting Party for entry into, departure from, or sojourn in the territory of that other Contracting Party and take adequate measures to protect the aircraft and to inspect passengers, crew, carry-on items, as well as baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give positive consideration to any request from the other Contracting Party for reasonable special security measures in its territory to meet a particular threat to civil aviation.

6. 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 and air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate that incident or threat as rapidly as possible commensurate with minimum risk to life.

7. When a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the aeronautical authorities of the first Contracting Party may request immediate consultations with the aeronautical authorities of the other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds for the application of paragraph 1 of Article 5 (Revocation and Limitation of Authorisation) of this Agreement. When required by an emergency, a Contracting Party may take action under paragraph 1 of Article 5 (Revocation and Limitation of Authorisation) within fifteen (15) days. Any application of paragraph 1 of Article 5 pursuant to this paragraph shall not be subject to paragraph 2 of Article 5. Any action taken in accordance with this paragraph shall be discontinued upon compliance by the other Contracting Party with the security provisions of this Article.

ARTICLE 10

Airport, Services and Facility Charges

1. The charges imposed on a designated airline of one Contracting Party by the responsible charging bodies of the other Contracting Party for the use by that designated airline of airport, airways and other civil aviation facilities and services shall not be higher than those imposed by such Contracting Party on its own designated airline engaged in similar international operations using similar aircraft and associated facilities and services.
2. Each Contracting Party shall encourage consultations between the competent charging bodies in its territory and airlines using the services and facilities, and shall encourage the competent charging bodies and the airlines to exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges and whenever possible, to enable them to express and have their views taken into account before any changes are made.
3. Neither of the Contracting Parties shall give preference to, or permit responsible bodies to give preference to, its own or any other airline over a designated airline of the other Contracting Party engaged in similar international operations in the application of its customs, immigration, quarantine and similar regulations or in the use of airports, airways, air traffic services and other associated facilities under its control.

ARTICLE 11

Capacity

1. There shall be a fair and equal opportunity for the designated 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 designated airlines of each Contracting Party shall take into consideration the interests of the designated 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 capacity to be operated by the designated airlines of the Contracting Parties between their respective territories, for the conveyance of traffic on agreed services on the specified routes, shall be maintained in close relationship with the traffic originating in Australia and destined for Chile and vice versa.
4. Provision by designated airlines for the carriage of traffic originating in or destined for points on its specified routes in the territories of third countries shall be made in accordance with the general principles that capacity shall be related to;
 - (a) the requirements of traffic originating in or destined for the territory of the Contracting Party which has designated the airlines;

- (b) the traffic requirements of the area through which the airline passes, after taking account of local and regional services; and
- (c) the requirements of through airline operations.

5. The capacity which may be provided in accordance with this Article by the designated airlines of each Contracting Party on the agreed services shall be such as is decided between the aeronautical authorities of the Contracting Parties before the commencement by the designated airlines concerned of the agreed services and from time to time thereafter.

ARTICLE 12

Statistics

1. The aeronautical authorities of each Contracting Party shall provide or shall cause its designated airlines to provide the aeronautical authorities of the other Contracting Party, upon request, periodic or other statements of statistics as may be reasonably required for the purpose of reviewing the operation of the agreed services, including, but not limited to, statements of statistics related to the traffic carried by its designated airlines between points in the territory of the other Contracting Party and other points on the specified routes showing the initial origins and final destinations of the traffic.
2. The details of the methods by which such statistics shall be provided shall be jointly decided by the aeronautical authorities and implemented without delay.
3. The laws and regulations of one Contracting Party relating to the provision of statistical information shall be observed by the airlines of the other Contracting Party.

ARTICLE 13

Customs Duties and Other Charges

1. Aircraft operated on agreed services by the designated airlines of one Contracting Party, as well as their normal equipment, spare parts (including engines), supplies of fuels, lubricating oils (including hydraulic fluids) and lubricants, consumable technical supplies, aircraft stores (including food, beverages, liquor, tobacco and other products for sale to or use by passengers, in limited quantities, during the flight) and other items intended for or used solely in connection with the aviation operation or servicing, which are on board such aircraft, shall be exempt from all customs duties, excise duties and charges, and inspection fees on entering into the territory of the other Contracting Party, provided such equipment, supplies and stores remain on board the aircraft until they are re-exported.
2. The following shall also be exempt from customs duties, excise duties, inspection fees and other national duties and charges:

- (a) aircraft stores taken on board in the territory of one Contracting Party, and intended for use on board the aircraft operated on an agreed service by the designated airlines of the other Contracting Party;
- (b) spare parts (including engines) and normal airborne equipment imported into the territory of either Contracting Party for the maintenance or repair of aircraft operating agreed services;
- (c) fuels, lubricating oils (including hydraulic fluids) and lubricants destined to supply aircraft operating agreed services by the designated airlines of the other Contracting Party, even when these supplies are to be used on any part of a journey performed over the territory of the Contracting Party in which they have been taken on board.

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

3. The normal airborne equipment, as well as spare parts (including engines), aircraft stores, supplies of fuel, lubricating oils (including hydraulic fluids) and lubricants and other items mentioned in paragraph 1 of this Article retained on board the aircraft operated by the designated airlines of one Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that territory. In such case, they may be placed under the supervision of those customs authorities until they are re-exported or otherwise disposed of in accordance with the Customs laws and procedures of that Contracting Party.

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

ARTICLE 14

TARIFFS

1. Each Contracting Party shall allow tariffs for air transportation to be established by each designated airline based upon commercial considerations in the marketplace. Tariffs charged by designated airlines shall be subject to the general competition and consumer laws of both parties. Without limiting the application of general competition and consumer law in the territory of each party, action in accordance with paragraph 5 of this article may be initiated to:

- (a) prevent predatory or discriminatory tariffs or practices;
- (b) protect consumers from tariffs that are unduly high or restrictive because of the abuse of a dominant position; and
- (c) protect airlines from tariffs that are artificially low because of direct or indirect government subsidy or support.

2. Neither Contracting Party's aeronautical authorities shall take unilateral action to prevent the inauguration or continuation of a tariff proposed to be charged or charged by a designated airline of either Contracting Party otherwise than in accordance with paragraphs (3) and (4) of this Article.

3. The aeronautical authorities of each Contracting Party may require notification of filing of tariffs proposed to be charged to or from its territory by designated airlines of the other Contracting Party. Such notification or filing may be required no more than sixty (60) days before the proposed date of effectiveness.

4. Subject to the provisions of paragraph 5, any tariff so filed shall be treated as having been approved unless within 15 days of the tariff being filed (or such shorter period as the aeronautical authorities may eventually decide), the authorities of both countries have informed each other in writing that they do not approve the proposed tariff or consultations have been requested pursuant to paragraph 5 below.

5. If the aeronautical authorities of either Contracting Party believe that any tariff proposed to be charged is inconsistent with the considerations set forth in paragraph (1) of this Article, they shall notify the aeronautical authorities of the other Contracting Party of the reasons for their dissatisfaction as soon as possible, and in any event, at least fifteen (15) days before the proposed tariff is due to take effect. The aeronautical authorities shall endeavour to resolve the matter between them. Either Contracting Party may request consultations which may be through correspondence. These consultations shall be completed not later than thirty (30) days after receipt of the request. The tariff will take effect at the end of that period unless both Contracting Parties decide otherwise.

6. Notwithstanding the stipulations of paragraph 5 of this Article, the aeronautical authorities of each Contracting Party shall allow:

- (a) any designated airline of either Contracting Party to match, on giving one day's notice, any tariff proposed or charged by another designated airline between the same city pairs, and
- (b) the designated airlines of each Contracting Party, consistent with their route entitlements in the Agreement, to match any publicly available tariff proposed or charged between points in the territory of the other Contracting Party and points in a third country on the specified routes.

7. A tariff established in accordance with the provisions of this Article shall remain in force until a new tariff has been established. A tariff shall not be prolonged by virtue of this paragraph for more than twelve (12) months after the date on which it would otherwise have expired.

ARTICLE 15

Commercial Opportunities

1. Each Contracting Party shall take all appropriate action within its jurisdiction to eliminate all forms of discrimination or unfair competitive practices adversely affecting the competitive position of the designated airlines of the other Contracting Party in the exercise of their rights and entitlements set out in this Agreement, including, but not limited to, restrictions upon the sale of air transportation, the payment for goods, services or transactions, or the repatriation of excess currencies by airlines, and the import, installation and use of computer equipment.
2. To the extent that the aeronautical authorities of either Contracting Party believe that their designated airlines are being subjected to discrimination or unfair practices, they shall give notice to this effect to the aeronautical authorities of the other Contracting Party. Consultations, which may be through the diplomatic channel, shall be entered into as soon as possible after notice is given unless the first Contracting Party is satisfied that the matter has been resolved in the meantime.
3. The designated airlines of each Contracting Party shall have the right to establish offices in the territory of the other Contracting Party for the purposes of provision and sale of air services. Each designated airline shall have the right to engage in the sale of air transportation in the territory of the other Contracting Party directly and, at its discretion, through its agents. Each designated airline shall have the right to use for this purpose its own transportation documents.
4. The designated airlines of each Contracting Party shall have the right to sell air transportation in local or freely convertible currencies, and to convert their funds into any freely convertible currency and to transfer them from the territory of the other Contracting Party at will. Subject to the national laws and regulations and policy of the other Contracting Party, conversion and transfer of funds obtained in the ordinary course of their operations shall be permitted at the foreign exchange market rates for payments prevailing at the time of submission of the requests for conversion or transfer and shall not be subject to any charges except normal service charges levied for such transactions.
5. The designated airlines of each Contracting Party shall have the right at their discretion to pay for local expenses, including purchases of fuel, in the territory of the other Contracting Party in local currency, or provided this accords with local currency regulations, in freely convertible currencies.
6. Each designated airline may 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. These rights shall be subject only to physical constraints resulting from considerations of airport safety and security. 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 if self-handling were possible.

ARTICLE 16

Airline Representatives

1. The designated airlines of either Contracting Party may establish offices in the territory of the other Contracting Party for the promotion and sale of air transportation.

2. The designated airlines of one Contracting Party shall be allowed, on the basis of reciprocity, and in accordance with the immigration laws, regulations and practices of the other Contracting Party relating to entry, residence and employment, to bring in and maintain in the territory of the other Contracting Party, their representatives and commercial, operational and technical staff as required in connection with the operation of agreed services.

3. These representative and staff requirements shall, at the option of the designated airlines of each Contracting Party, be satisfied by using their own personnel, or by using the services of any other organisation, company or airline operating in the territory of the other Contracting Party that is authorised to perform such services in the territory of that Contracting Party.

4. The representatives and staff shall be subject to the laws and regulations in force of the other Contracting Party, and, consistent with such laws, regulations and practices, each Contracting Party shall, on the basis of reciprocity and with the minimum of delay, grant the necessary employment authorisations, visas or other similar documents to the representatives and staff referred to in paragraph 1 of this Article.

ARTICLE 17

Consultations

1. Either Contracting Party may at any time request consultations on the implementation, interpretation, application or amendment of this Agreement.

2. Subject to Articles 5 (Revocation and Limitation of Authorisation), 8 (Safety), 9 (Aviation Security) and 14 (Tariffs) such consultations, which may be through discussion or correspondence, shall begin within a period of sixty (60) days of the date of receipt of such a request, unless otherwise mutually decided.

ARTICLE 18

Amendment of Agreement

1. Subject to paragraph 2, this Agreement may be amended or revised by agreement in writing between the Contracting Parties.
2. Any modification or amendment of this Agreement (excepting the Annex) shall enter into force after the Parties have notified each other through the diplomatic channel that the procedures necessary for its entry into force have been completed.
3. The Annex may be modified by agreement of the aeronautical authorities of both Parties, and any modification will enter into force on exchange of diplomatic notes.
4. If a multilateral convention concerning air transport comes into force in respect of both Contracting Parties, this Agreement shall be deemed to be amended so far as it is necessary to conform with the provisions of that Convention.

ARTICLE 19

Settlement of Disputes

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of this Agreement, except those which may arise with respect to specific tariff filings, the Contracting Parties shall in the first place endeavour to settle it by negotiation between themselves, either through discussion, correspondence or the use of diplomatic channels. If the Contracting Parties fail to reach a settlement by negotiation, either Contracting Party may refer the dispute for decision to an arbitral tribunal.
2. Arbitration shall be carried out by a tribunal of three (3) arbitrators to be constituted as follows:
 - (a) Within sixty (60) days from the date of receipt by either Contracting Party from the other Contracting Party of a request for arbitration, each Contracting Party shall nominate an arbitrator. Within sixty (60) days from the appointment of the arbitrator last appointed, the two arbitrators shall by mutual decision appoint a third arbitrator, who shall be a national of a third State and who shall act as President of the Arbitral Tribunal.
 - (b) If either Contracting Party fails to name an arbitrator, or if the third arbitrator is not appointed in accordance with sub-paragraph (a) of this paragraph, either Contracting Party may request the President of the Council of the International Civil Aviation Organization to appoint the necessary arbitrator or arbitrators within thirty (30) days. If the President is of the same nationality as one of the Contracting Parties, the most senior Vice President who is not disqualified on that ground shall make the appointment.

3. Except as otherwise determined by the Contracting Parties or prescribed by the tribunal, each Contracting Party shall submit a memorandum within forty-five (45) days after the tribunal is fully constituted. Replies shall be due sixty (60) days later. The tribunal shall hold a hearing at the request of either Contracting Party, or at its discretion, within thirty (30) days after replies are due.
4. The tribunal shall attempt to give a written decision within thirty (30) days after completion of the hearing, or, if no hearing is held, after the date both replies are submitted. The decision shall be taken by a majority vote.
5. The Contracting Parties may submit requests for clarification of the decision within fifteen (15) days after it is received and such clarification shall be issued within fifteen (15) days of such request.
6. The Contracting Parties undertake to comply with any arbitration decision given under paragraph 4 of this Article.
7. The expenses of arbitration under this Article shall be shared equally between the Contracting Parties.
8. If and for so long as either Contracting Party or the designated airlines of either Contracting Party fails to comply with a decision under paragraph 4 of this Article, the other Contracting Party may limit, suspend or revoke any rights or privileges which it has granted by virtue of this Agreement to the Contracting Party in default.

ARTICLE 20

Termination

1. Either Contracting Party may at any time from the entry into force of this Agreement give notice in writing through the diplomatic channel to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be communicated simultaneously to the International Civil Aviation Organization (ICAO). The Agreement shall terminate one (1) year after the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by mutual decision before the end of this period.
2. If the Contracting Party fails to acknowledge receipt of the notice of termination, the notice shall be deemed to have been received fourteen (14) days after the date on which ICAO acknowledged receipt of the notice.

ARTICLE 21

Registration with ICAO

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

ARTICLE 22

Entry into Force

This Agreement shall enter into force after the Parties have notified each other through the diplomatic channel that the procedures necessary for its entry into force have been completed.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

DONE in duplicate, at Santiago, in English and Spanish languages, both texts being equally authentic, on this Seventh day of September 2001.

For the Government of Australia

For the Government of the Republic of
Chile

ANNEX

Chile – Australia Route Schedule

Section I

Routes for the airline or airlines of Chile in both directions:

Chile via intermediate points in French Polynesia and New Zealand, to three points in Australia and beyond to three points in South East Asia and two additional points of choice.

Section II

Routes for the airline or airlines of Australia in both directions:

Australia via intermediate points in New Zealand and French Polynesia to three points in Chile and beyond to three points in South America and two additional point of choice.

Section III

Notes on the routes:

1. Points on the agreed routes may be optionally omitted, provided that services shall either commence or terminate in the territory of the Contracting Party designating the airline.
2. Points not specified shall be nominated by the Government of Chile or the Government of Australia as appropriate and may be changed from time to time.