AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF BULGARIA

The Government of the People's Republic of China and the Government of the Republic of Bulgaria (hereinafter referred to as "the Contracting Parties");

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

Desiring to facilitate friendly contacts between their two peoples, and develop mutual relations between the two countries in the field of civil aviation:

Have agreed on the establishment and operation of airtransportation between their respective territories as follows:

ARTICLE 1

Definitions

For the purpose of this Agreement and its Annex, unless the context otherwise requires;

- (a) the term "aeronautical authorities" means, in the case of the People's Republic of China, the General Administration of Civil Aviation of China, and in the case of the Republic of Bulgaria, the Ministry of Transport Civil Aviation Authority, of in both cases any other person or body duly authorized to perform the functions presently exercised by the said authorities:
- (b) the term "airline" means any air transport enterprise offering or operating international air services:
- (c) the term "designated airline" means an airline which has been designated and authorized in accordance with Article 3 of this Agreement:
- (d) the term "air service" means any scheduled air service performed by aircraft for the the public transport of passengers, baggage, cargo or mail;

- (e) the term "international air service" means an air service which passes through the air space over the territory of more than one state;
- (f) the term "territory" means the land area, territorial sea and inland water and air space above them under the sovereignty of a state;
- (g) the term "stop for non-traffic purposes" means a landing for any purpose other than taking on or discharging passengers, baggage, cargo or mail;
 - (h) the term "capacity" means:
- 1) in relation to an aircraft, the payload of that aircraft available on a route or section of a route.
- 2) in relation to a specified air service, the capacity of the aircraft used on such service multiplied by frequency operated by such aircraft over a given period on a route or section of a route.
- (i) the term "tariff" means the prices to be paid for the carriage of passengers, baggage and freight and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail;
- (j) the term "Annex" means the Annex to this Agreement or as amended in accordance with the provisions of Article 15 of the Agreement. The Annex forms an integral part of this Agreement and all references to the Agreement shall include references to the Annex except where otherwise provided.

Grant of Rights

- (1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement to international air services on the route specified in the Annex (hereinafter called "the agreed services" and "the specified route" respectively).
- (2) Subject to the provisions of this Agreement, the designated airline of 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 along the air route(s) prescribed by the aeronautical authorities of the other Contracting Party.

- b) to make stops for non-traffic purposes in the said territory at point(s) to be agreed upon between the aeronautical authorities of both Contracting Parties, and,
- c) to make stops at the point(s) on the specified route in the territory of the other Contracting Party for the purpose of taking on board and discharging international traffic in passengers, baggage, cargo and mail,
- (3)In addition to the operation of the agreed services by the designated airlines of the Contracting Parties, the designated airline or other airline(s) of either Contracting Party may request permission from the aeronautical authorities of the other Contracting Party to operate charter flights to, from and/or through the territory of that other Contracting Party. The aeronautical authorities to which such a request is submitted shall promptly consider the request in accordance with its charter worthiness rules, and in the light of the spirit of mutual benefit and friendly cooperation and that airlines of mutual benefit and friendly cooperation and that airlines of both Contracting Parties should have fair and reasonably equal opportunity in operating international charter transportation. The application of such charter flights shall be submitted to the aeronautical authorities of the other Contracting Party at least 15 days prior to its proposed operation. The reply shall be given not less than 12 hours before the departure of the proposed flight. The flights can be operated only after approval has been obtained.
- (4) The designated airline of a Contracting Party shall not have the right to carry traffic in passengers, baggage, cargo and mail between points in the territory of the other Contracting Party for remuneration (cabotage).

Designation and Authorization

- (1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline to operate the agreed services on the route specified in the Schedule.
- (2) The substantial ownership and effective control of the airline designated by each Contracting Party shall remain vested in such Contracting Party.
- (3) The aeronautical authorities of the other Contracting Party may require the airline designated by the first Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by the said authorities.
- (4) On receipt of such designation, the other Contracting Party shall, subject to the provisions of paragraph (2) and (3) of this Article, grant to the airline so designated the appropriate

operating authorization.

- (5) Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph (4) of this Article if it does not obtain the required evidence prescribed under paragraph (3) of this Article, or is not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating it or in its nationals.
- (6) After an airline has been so designated and authorized, it may commence operation of the agreed service from the date specified in the operating authorization, provided that a capacity agreed and a tariff established in accordance with the provisions of Article 10 and 12 of the Agreement are in force in respect of that service.

ARTICLE 4

Revocation of Operating Authorization

- (1) Each Contracting Party shall have the right to revoke or suspend the operating authorization already granted to the designated airline of the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise by the said designated airline of the rights specified in Article 2 of this Agreement, in any of the following cases:
- a) where it is not satisfied that the substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline, or
- b) where that airline fails to comply with the laws and regulations of the Contracting Party granting these rights, or
- c) where that airline otherwise fails to operate in accordance with the conditions prescribed under this 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 and regulations, such right shall be exercised only after consultation with the other Contracting Party.

ARTICLE 5

Provision of Technical Services and User Charges

(1) Each Contracting Party shall designate in its territory regular airport and alternate airports to be used by the designated airline of the other Contracting Party for the operation of the

specified route, and shall provide that airline with such communications, navigational, meteorological and other auxiliary services in its territory as are required for the operation of the agreed services. Where necessary, detailed arrangements relating to the above may be agreed between the aeronautical authorities of both Contracting Parties.

(2) The designated airline of each Contracting Party shall be charged for the use of airports, facilities and technical services of the other Contracting Party at fair and reasonable rates prescribed by the appropriate authorities of the other Contracting Party. Such rates shall not be higher than those paid by airlines of other States engaged in international air services for the use of similar facilities and services.

ARTICLE 6

Customs and Duties

- (1) Aircraft operated on international air services by the designated airline of one Contracting Party, as well as their regular equipment, spare parts (including engines), fuels, oils (including hydraulic fluids), lubricants, and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges on arriving in the territory of the other Contracting Party, provided such equipment and items remain on board the aircraft up to such time as they are re-exported.
- (2) The following equipment and items shall also be exempt on the basis of reciprocity from the same customs duties, taxes, inspection fees and other similar fees and charges, with the exception of charges corresponding to the services provided:
- (a) regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids), lubricants and aircraft stores (including food, beverages and tobacco) introduced by or on behalf of the designated airline of one Contracting Party into the territory of the other Contracting Party or taken on board the aircraft in the territory of the other Contracting Party and exclusively intended for use or consumption by aircraft engaged in international services, even when such equipment and items are to be used on part of the journey performed over the territory of the other Contracting Party:
- (b) spare parts (including engines) introduced into the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party for the maintenance or repair of aircraft engaged in operation of international services:
- (3) Printed ticket stock, air waybills and publicity materials introduced into the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party, shall be exempt on the basis of reciprocity from all the customs duties, taxes, inspection fees and other similar fees and charges.

- (4) The equipment and items referred to in paragraphs (1) and (2) of this Article may be unloaded in the territory of the other Contracting Party with the approval of the Customs authorities of the other Contracting Party. Such equipment and items shall be kept under the supervision or control of the Customs authorities of the other Contracting Party up to such time as they are re-exported, or otherwise disposed of in accordance with the Customs regulations.
- (5) The exemption provided for in paragraphs (1) and (2) of this Article shall also be available where a designated airline of one Contracting Party has contracted with another airline, which similarly enjoys such exemptions in the territory of the other Contracting Party, for the loan or transfer in the said territory of the items specified in paragraphs (1) and (2) of this Article.
- (6) Office supplies, vehicles for special use at airport or vehicles for carriage of crew members between the city and airport, as well as electronic booking and communication equipment including their spare parts of the representation of the designated airline of one Contracting Party in the territory of the other Contracting Party, when introduced into the said territory, shall be exempt on the basis of reciprocity from customs duties and other duties and taxes on importation, provided these supplies are intended for the airline's own use and do not exceed reasonable limit.
- (7) Baggage and cargo in direct transit shall be exempt from all the customs duties, taxes, inspection fees and other similar fees and charges on the basis of reciprocity with the exception of the charges corresponding to the services provided.

Taxation

- (1) The revenues and profit received by the designated airline of each Contracting Party within the territory of the other Contracting Party in connection with operation of international services shall be exempt from all taxes by the other Contracting Party.
- (2) The property of the designated airline of each Contracting Party within the territory of the other Contracting Party shall be exempt from all taxes by the other Contracting Party.
- (3) Wages, salaries and other similar remuneration received by the employees of the representation of the designated airline of either Contracting Party in the territory of the other Contracting Party, who are nationals of the first Contracting Party, shall be exempt from all taxes by the other Contracting Party.

ARTICLE 8

Conversion and Remittance of Revenue

- (1) The designated airline of each Contracting Party shall have on the reciprocal basis the right to remit to the Contracting Party designating the airline its revenue received in the territory of the other Contracting Party from operation of air transportation including sales of air transport documents.
- (2) The conversion and remittance of such revenue shall be effected in convertible currencies at the effective rate of exchange prevailing on the date of remittance.
- (3) Each Contracting Party shall facilitate the conversion and remittance of the revenue received in its territory by the designated airline of the other Contracting Party, and assist the said airline in attending to the relevant formalities.

ARTICLE 9

Aviation Security

- (1) 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 the present Agreement. The Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970,the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971.
- (2) The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of civil aircraft and other unlawful acts crew, airports and air navigation facilities, and any other threat to the security of civil aviation.
- (3) The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions and technical requirements established by the International Civil Aviation Organization and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions and requirements are applicable to the Contracting Parties; they shall require that operators of aircraft of their registry or operators of aircraft who have their registry or operators of aircraft who have their principal place of business or permanent residence in their territory act in conformity with such aviation security provisions.
- (4) Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions and requirements established 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 safety of the aircraft prior to and during boarding or loading, and to inspect passengers, crew, baggage, cargo and aircraft stores prior to boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

(5) When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

ARTICLE 10

Representation and Personnel

- (1) For the operation of the agreed services on the specified route, the designated airline of each Contracting Party shall have the right, on reciprocal basis, to set up representation at the point of call on the specified route within the territory of the other Contracting Party. The staff of the representation referred to in this paragraph shall be subject to the laws and regulations in force in the country where such representation is located.
- (2) The staff members of the representation of the designated airline of each Contracting Party shall be nationals either Contracting Party, unless otherwise agreed. The number of such staff shall be determined on reciprocal basis between the aeronautical authorities of both Contracting Parties.
- (3) Each Contracting Party shall to the maximum extent practicable ensure the safety of the representation and its staff members of the designated airline of the other Contracting Party, and safeguard within its territory, the aircraft, stores and other properties of the said airline for use in the operation of the agreed services.
- (4) Each Contracting Party shall extend assistance and facilities to the representation and its staff members of the designated airline of the other Contracting Party necessary for the efficient operation of the agreed services.
- (5) The crew members of the designated airline of either Contracting Party on flights into and out of the territory of the other Contracting Party shall be nationals of the Contracting Party designating such airline. If a designated airline of either Contracting Party desires to employ crew members of any other nationality on flights into and out of the territory of the other Contracting Party, prior approval shall be obtained from that other Contracting Party.

ARTICLE 11

Entry and Clearance Regulations

- (1) The laws and regulations of either Contracting Party relating to the admission into 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 airline designated by the other Contracting Party and shall be complied with by such aircraft upon territory of the first Contracting Party.
- (2) The laws and regulations of one Contracting Party relating to the admission to, remaining in, transit through and departure from its territory of passengers, crew, cargo and mail of aircraft, such as regulations relating to entry, clearance, emigration and immigration, passports, as well as customs and sanitary measures, shall apply to passengers, crew, cargo and mail carried by the aircraft of the designated airline of the other Contracting Party, while they are within the said territory.
- (3) Passengers in direct transit across the territory of either Contracting Party, not leaving the area of the airport reserved for such purpose, shall be subject to a simplified form of control. Baggage and freight, if in direct transit, shall be exempt from customs duties, inspection fees and other duties and charges.

ARTICLE 12

Capacity Provisions

- (1) Each Contracting Party shall, in keeping with the principle of equality and mutual benefit, take all appropriate action to ensure that there shall be reasonably equal opportunity and benefit for the designated airlines of both Contracting Parties in the operation of the agreed services on the specified routes.
- (2) For the operation of the agreed services on the specified routes, matters relating to frequency, type of aircraft as well as flight schedule, ground handling and other matters pertaining to the operation of the agreed services shall be agreed upon through consultation between the designated airlines of both Contracting Parties in the light of the principle of equality and mutual benefit, and on a reciprocal basis. The arrangement so agreed shall be subject to the approval of the aeronautical authorities of both Contracting Parties. If the designated airlines of both Contracting Parties fail to reach agreement on frequency, type of aircraft and flight schedule, the aeronautical authorities of both Contracting Parties shall endeavour to settle the matter through consultation.
- (3) In the operation of the agreed services, the designated airline of each Contracting Party shall take into account the interests of the designated airline of the other Contracting Party so as not to affect unduly the air services which the latter airline operates over the whole route or parts thereof.

- (4) The agreed services to be operated by the designated airlines of the Contracting Parties shall retain as their primary objective the provision, at a reasonable load factor, of capacity adequate to meet the traffic requirements between the points in the territories of the two Contracting Parties. The right to embark on or disembark from such services international traffic destined for or coming from points in third countries shall be of a supplementary nature.
- (5) The designated airline of each Contracting Party may, according to traffic requirements, apply for operation of additional flight(s) on the specified route. The application for such flight(s) shall be submitted to the aeronautical authorities of the other Contracting Party no later than 72 hours before the take-off of the said flight. The reply shall be given not less than 12 hours before the departure of the proposed flight. Such flight(s) can be operated only after approval has been obtained.

Provision of Statistics

The aeronautical authorities of either Contracting Party shall furnish to the aeronautical authorities of the other Contracting Party, at their request, statistical data as may be reasonably required for the purpose of reviewing the capacity provided by the designated airline of the first Contracting Party on the specified route. Such data shall include all information required to determine the amount of traffic carried.

ARTICLE 14

Establishment of Tariffs

- (1) The tariffs on any agreed services shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service (such as standards of speed and accommodation) and the tariffs of other airlines for any part of the specified route. These tariffs shall be fixed in accordance with the following provisions of this Article.
- (2) The tariffs referred to in Paragraph (1) of this Article shall be agreed upon between the designated airlines of both Contracting Parties, in consultation, when necessary and possible, with other airlines operating over the whole or part of that route. The tariffs so agreed shall be subject to the approval of the aeronautical authorities of both Contracting Parties and shall be submitted to their respective aeronautical authorities at least 90 days prior to the proposed date of introduction of these tariffs. This period can be reduced in certain cases upon agreement between the said authorities.

- (3) If the designated airlines cannot agree on any of these tariffs, the aeronautical authorities of the Contracting Parties shall try to determine the tariffs by agreement between themselves.
- (4) If the aeronautical authorities cannot agree on the approval of any tariff submitted to them under Paragraph (2) of this Article or on the determination of any tariff under paragraph (3), the matter shall be referred to the Contracting Parties for settlement in accordance with the provisions of Article 14 of this Agreement.
- (5) Pending determination of a new tariff in accordance with the provisions of this Article, the tariffs already in force shall prevail. Nevertheless, a tariff shall not be prolonged by virtue of this paragraph for more than 12 months after the date on which it otherwise would have expired.

Aircraft Nationality and Certificates of Crew Members

- (1) The aircraft of the designated airline of either Contracting Party operating on the specified route shall bear its nationality and registration marks.
- (2) The designated airline of either Contracting Party may operate the agreed services on the specified route(s) with aircraft leased from a third country, provided that prior notice and relevant information regarding the leased of the other Contracting Party at least 30 days before the commencement of the proposed operation. However, consultations shall be conducted between the Contracting Parties at the request of either Contracting Party on problems which may arise in connection with aircraft having nationality of a third country.
- (3) Subject to the international regulations or recommendations accepted by both Contracting Parties, each Contracting Party shall recognize as valid the certificates and licences of the aircraft operating the agreed services and its crew members issued or rendered valid by the other Contracting Party.

ARTICLE 16

Consultations

(1) The Contracting Parties shall ensure the correct implementation of, and satisfactory compliance with, the provisions of this Agreement in a spirit of close cooperation and mutual support, To this end, the aeronautical authorities of the Contracting Parties shall consult each other from time to time.

- (2) Either Contracting Party may request consultation with the other Contracting Party, which may be either oral or in writing, and which shall begin within a period of 60 days from the date of receipt of the request, unless both Contracting Parties jointly determine an extension of this period.
- (3) If any difference of opinion arises in respect of the interpretation or implementation of this Agreement, the designated airlines of both Contracting Parties shall, where appropriate, endeavour to settle it directly through consultation in a spirit of friendly cooperation and mutual understanding. If the designated airlines fail to reach a settlement, or if the matter at issue does not lie within their competence, the aeronautical authorities of the Contracting Parties shall endeavour to settle it between themselves. If a settlement still cannot be reached, the Contracting Parties shall endeavour to settle it through diplomatic channels.

Amendment

- (1) If either of the Contracting Parties considers it desirable to amend any provision of this Agreement, it may request consultation with the other Contracting Party. This consultation, which may be between the aeronautical authorities and which may be through discussion or by correspondence, shall begin within a period of 60 days from the date of receipt of the request. Any amendments so agreed shall not come into force until they have been confirmed by way of an exchange of notes through diplomatic channels.
- (2)Modifications to the Annex of this Agreement may be agreed directly between the aeronautical authorities of the Contracting Parties. They shall be applied provisionally from the date they have been agreed upon and enter into force when confirmed by an exchange of diplomatic notes.

ARTICLE 18

Termination

This Agreement shall remain valid for an unlimited period. But either Contracting Party may at any time notify the other Contracting Party of its decision to terminate this Agreement. If such notice is given, this Agreement shall terminate 12 months after the date of receipt by the other Contracting Party of the notice to terminate, unless the notice under reference is withdrawn before the expiry of that period. Notice shall be deemed to have been received fourteen days after the date of the notice, or on the date of handing the notice to the diplomatic mission of the other Contracting Party in the territory of the first Contracting Party.

ARTICLE 19

Titles

Titles are inserted in this Agreement at the head of each article for the purpose of reference and convenience and in no way to define, limit or describe the scope or intent of this Agreement.

ARTICLE 20

Entry into Force

(1)The provisions of this Agreement shall be applied provisionally on the date of its signature.

(2) This Agreement shall enter into force on the date of exchange of diplomatic notes confirming that the Contracting Parties have completed their respective legal procedures.

In witness whereof, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done at Beijing, on this 21st day of June, in duplicate, each copy in the Chinese, Bulgarian and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

FOR THE GOVERNMENT OF THE REPUBLIC OF BULGARIA

ANNEX

(1) Routes

a) The route of the agreed services operated by the airline designated by the Government of the People's Republic of China shall be as follows in both directions:

Beijing ——intermediate points to be agreed upon between the aeronautical authorities of the Contracting Parties——Sofia

b) The route of the agreed services operated by the airline designated by the Republic of Bulgaria shall be as follows in both directions;

Sofia—intermediate points to be agreed upon between the aeronautical authorities of the Contracting Parties—Beijing

- (2) The traffic right to take up and discharge passengers, baggage, cargo and mail for the agreed services of the designated airlines of the Contracting Parties at the point on the specified route in the territory of a third country shall be agree upon between the aeronautical authorities of the two Contracting Parties.
- (3) Any point or points on the specified route may be omitted on any or all flights at the discretion of the designated airline of each Contracting Party provided that this operation originates in the territory of the Contracting Party designating the airline.