

Memorandum of Understanding
(MOU)

Between

The Civil Aviation Administration of
China
(CAAC)

and

Department of Civil Aviation
of Lao People's Democratic Republic
(DCAL)

For Continued Airworthiness of
Aircraft Designed and Produced in
China and Operated as a Lao People's
Democratic Republic Registered
Aircraft

THIS MEMORANDUM OF UNDERSTANDING (MOU) is

BETWEEN

**DEPARTMENT OF CIVIL AVIATION OF LAO PEOPLE'S DEMOCRATIC REPUBLIC
(hereinafter referred to as "DCAL")**

**AND THE CIVIL AVIATION ADMINISTRATION OF CHINA (hereinafter referred to as
"CAAC").**

**The DCAL and CAAC may be referred to individually as the "Party" or collectively as
the "Parties".**

WHEREAS:

1. The CAAC and the DCAL, are the competent authorities of the respective governments of the People's Republic of China and the Lao People's Democratic Republic with regard to civil aviation matters;
2. The Parties desire to cooperate in the fields of aviation safety and environmental protection to increase their efficiency in the field of civil aviation;
3. The Parties, desiring to apply this MOU in accordance with the principles and provisions of the Convention on International Civil Aviation Organisation (ICAO) signed at Chicago on 7 December 1944 (Chicago Convention) have concluded as follows:

1. Objective

This MoU is concluded to ensure the continued airworthiness of aircraft designed and produced in China which is to be registered and operated in Lao People's Democratic Republic.

2. General provisions

Basing on the investigation done by the DCAL in accordance with the provision of the DCAL regulations which is consistent with the Annex 8 to the Convention of ICAO, DCAL accepts the type design approval of civil aircraft for which the CAAC is the primary type certifying authority. Therefore, this MoU defines the responsibilities of both Parties during the operation of the said aircraft when registered in Lao People's Democratic Republic as follows:

- a) Cooperate and assist each other on the issuance of the export airworthiness certificate;
- b) Cooperate and assist each other during the process of issuance of certificate of airworthiness;
- c) Cooperate and assist each other on the application of airworthiness directives;

- d) Cooperate, assist each other to exchange information on the safety and continued airworthiness of aircraft.

3. Mutual cooperation and assistance

- a) Each Party shall cooperate in the analysis of airworthiness concerns occurring on the aircraft to which this MoU applies;
- b) CAAC shall specify any appropriate actions that it finds necessary to correct any unsafe condition related to continued airworthiness, during the aircraft operation;
- c) CAAC shall assist DCAL in the determination of actions considered necessary for the continued airworthiness of the aircraft;
- d) CAAC shall communicate to DCAL the airworthiness directives, mandatory modifications, the special inspections, the special limits of operation, or any other necessary specific actions for the continued airworthiness of the concerned aircraft; The email of CAAC AD management is cad@caac.gov.cn;
- e) The content of the aircraft manufacturer's scheduled maintenance requirements, flight manual and further change approved by CAAC shall be accepted by DCAL during the aircraft operation;
- f) DCAL shall inform CAAC of the applicable design related operation requirements in the Lao People's Democratic Republic before delivery of the particular aircraft to Lao People's Democratic Republic;
- g) DCAL shall inform CAAC of all failures, malfunctions or defects noted during the operation of the aircraft. The content of the notification is listed in appendix I to this MOU;
- h) Upon request from the DCAL, CAAC will provide technical support to the DCAL for the oversight of the safe operations of the aircraft.

4. Communication

Communication concerning continued airworthiness information exchange between both Parties should be provided to the addresses listed in Appendix II.
Correspondence and documentation relating to the aircraft shall be produced in English.

5. Implementation

- a) The two Parties shall work in accordance with the MOU from the date of signature by the last signing Party. This MOU may be reviewed or amended by mutual agreement of both parties and any such review or amendment shall be in writing and signed by both Parties. The said amendment shall be annexed to this MOU and shall form an integral part of this MOU;

- b) Each Party shall notify the other party in writing of any reorganization, restructuring or any other change in their respective organisation which may affect their performance and/or fulfilment of their obligation under this MOU.

6. Dispute Resolution

- a) If a Party believes that the other Party is not complying with any of the terms of this MOU, that Party shall inform the other Party of its concerns and seek appropriate redress ;
- b) Any dispute between the Parties arising out of the interpretation, application or implementation of the provisions of this MOU shall be settled amicably through consultation or negotiations between the Parties.

7. Coming into force

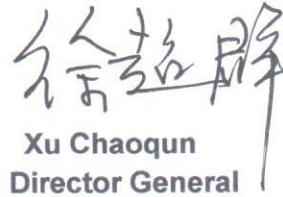
This present MoU shall come into force from the date of signature by the last signing Party.

For the DCAL



Bouakhao KHOUNPHAYA
Deputy Director General
Department of Civil Aviation of Lao PDR

For the CAAC



Xu Chaoqun
Director General
Aircraft Airworthiness Certification
Department

APPENDIX I

Notification of the following failures, malfunctions or defects encountered in service will be provided by the DCAL to the CAAC designated office within 20 working days of the DCAL receiving notification by the relevant operator of the aircraft. Both Parties will use the most expedient means available to deliver this information (fax, electronic mail,).

- (1) Fires caused by an aircraft system or equipment failure, malfunction, or defect.
- (2) An engine exhaust system failure, malfunction, or defect which causes damage to the engine, adjacent aircraft structure, equipment, or components.
- (3) The accumulation or circulation of toxic or noxious gases in the crew compartment or passenger cabin.
- (4) A malfunction, failure or defect of a propeller control system.
- (5) A propeller or rotorcraft hub, or blade structural failure.
- (6) Flammable fluid leakage in areas where an ignition source normally exists.
- (7) A brake system failure caused by structural or material failure during operation.
- (8) A significant aircraft primary structural defect or failure caused by any autogenous condition (fatigue, understrength, corrosion, etc.).
- (9) Any abnormal vibration or buffeting caused by a structural or system malfunction, defect, or failure.
- (10) An engine failure.
- (11) Any structural or flight control system malfunction, defect, or failure which causes an interference with normal control of the aircraft for which derogates the flying qualities.
- (12) A complete loss of more than one electrical power generating system or hydraulic power system during a given operation of the aircraft.
- (13) A failure or malfunction of more than one attitude, airspeed, or altitude instrument during a given operation of the aircraft.

APPENDIX II

What follows are the contact addresses between the CAAC and DCAL.

People's Republic of China

Aircraft Airworthiness Certification Department
Civil Aviation Administration of China
155 Dong si xi da jie, Beijing 100710
China
Tel: 86-10-64091321
Fax: 86-10-64033087
E-mail: chenye@caac.gov.cn

Lao People's Democratic Republic

Department of Civil Aviation of Lao People's Democratic Republic
Wattay International Airport, Vientiane, Lao PDR
P.O.Box 119
Tel: 856 – 21 - 512163, 512164
Fax: 856 – 21 - 520237
Email: laodca@laotel.com