#### MEMORANDUM OF UNDERSTANDING

Delegations of the Aeronautical Authorities of the Republic of Armenia and of the Kingdom of Spain, met on the occasion of the ICAO Air Service Negotiation Conference held in Montego Bay, Jamaica on 1 July 2010, to discuss matters relating to aviation relation and to agree and finalize the text of an Air Transport Agreement (ATA) between the two Contracting Parties.

List of the two Delegations is enclosed hereto as Appendix I.

As a result of the negotiations, which were held in a cordial and friendly atmosphere, both Delegations expressed their desire to further promote their aeronautical relations in a spirit of cooperation and complete understanding for their mutual benefits.

As a result of these consultations, the Delegations reached the following agreements:

#### 1. EUROPEAN COMMUNITY- REPUBLIC OF ARMENIA "HORIZONTAL" AGREEMENT

Both Delegations referred to the Agreement between the European Union (EU) and the Republic of Armenia on certain aspects of air services, signed on 9 December 2008 (hereinafter referred to as the "Horizontal" Agreement").

The Delegations agreed that the Horizontal Agreement will positively contribute to the development of the air transport links between Spain and Armenia.



# 2. AIR TRANSPORT AGREEMENT (ATA)

The text of the ATA and its Annex attached hereto as <u>Appendix II</u> was agreed by both Delegations.

As from the date of signature of this Memorandum of Understanding and until such time as the ATA and its Annex shall come into force, the two Delegations agreed to apply the principles included therein, on a provisional basis within the scope of their administrative competencies and in the extent permitted by their respective national laws and regulations.

Both Delegations undertook to advise their respective Authorities to begin the internal legal procedure conducive to an early signature, and completion of their respective constitutional requirements, for the entry into force of the ATA, as soon as possible.

## 3. SUBJECT OF THE ATA

Both Delegations agreed to cooperate in the field of air services, in accordance with the terms of the ATA, their respective national legislations, as well as the standards of international law.

### 4. <u>DESIGNATION OF AIRLINES</u>

The delegations agreed that the designation of airlines, as well as the substitution and cancellation of previously designated airlines shall be performed by the exchange of Notes through the diplomatic channels.

#### 5. PASSENGER CAPACITY AND FREQUENCIES

The Spanish Delegation explained that Spain has a policy of liberalizing direct traffic between countries with 3<sup>rd</sup> and 4<sup>th</sup> freedom traffic rights. In line with this policy the Spanish Delegation proposed t hat the designated airline(s) of each Contracting Party shall be permitted to

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operate unlimited passenger frequencies in each direction on their respective routes, with any type of aircraft, with 3<sup>rd</sup> and 4<sup>th</sup> freedom traffic rights.

The Delegation of Armenia informed that according to their policy they were not in a position to accept that proposal. Additionally, based on the necessity of the current market demand, the Delegation of Armenia suggested agreeing a number of two (2) passenger frequencies per week.

After an exchange of views, both Delegations mutually confirmed that the designated airline(s) of each Contracting Party shall be permitted to operate seven (7) weekly passenger frequencies in each direction on their respective routes, with any type of aircraft, with 3<sup>rd</sup> and 4<sup>th</sup> freedom traffic rights.

# 4. FIFTH FREEDOM TRAFFIC RIGHTS

Fifth freedom traffic rights shall be granted only on the basis of a special arrangement between the Aeronautical Authorities of both Contracting Parties.

The intermediate points and points beyond to be granted fifth freedom traffic rights shall be agreed upon between the Aeronautical Authorities of both Contracting Parties.

#### 5. ALL CARGO SERVICES

The Delegations confirmed that the designated airlines of both Contracting Parties shall have the right to operate all cargo services with full third, fourth and fifth freedom traffic rights, and without any restriction as to routes, frequencies, capacity offered, and/or type of aircraft.

#### 6. CHARTER SERVICES

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Both Delegations agreed to give a favourable and flexible treatment to requests from airlines of both Contracting Parties for charter services between their two countries, on a reciprocal basis, in accordance with the laws and regulations in force in each Party.



# 7. LANGUAGE MATTER

Delegations agreed that the ATA shall be done in English, Armenian and Spanish. The Delegation of Armenia suggested including a reference stating that in case of disagreement of interpretation the English text shall prevail. The Delegation of Spain explained that it could not accept this proposal due to its national legislation.

The Armenian Delegation suggested informing the Ministries of Foreign Affairs on this point to find a favorable solution for both Parties.

# **10. FINAL PROVISIONS**

The provisions set forth in this Memorandum of Understanding shall enter into effect as from the date of its signature.

Signed in Jamaica, 1 July 2010.

For the Delegation of the Republic of Armenia

Mr. Aftyom Movsesyan
Director General of Civil Aviation

For the Delegation of the Kingdom of

Spain

Mr. Daniel J. Solana Gázquez Head International Agreements