

- (2) Flights utilizing aircraft having a maximum authorized take-off weight on wheels not greater than 18,000 pounds;
- (3) Flights by carriers, which are also airlines performing scheduled air services under the Air Transport Agreement, which enplane non-scheduled air service traffic at a terminal or terminals of the international route in the territory of the other Contracting Party, for which that carrier is a designated or otherwise authorized airline under the Air Transport Agreement and which deplane or re-enplane such traffic at the terminal or terminals of the route in the territory of the Contracting Party of which the carrier is a national, or at the intermediate point or points named in the license issued to that carrier by the aeronautical authorities of the other Contracting Party;
- (4) Flights by United States carriers, which are also airlines performing scheduled air services under the Air Transport Agreement, which enplane nonscheduled air service traffic in passengers at a terminal or terminals in the territory of Canada of an international route having a terminal or terminals in the State of Hawaii, California, Nevada, Arizona, Florida, Puerto Rico or the U.S. Virgin Islands for which that carrier is designated under the Air Transport Agreement and which deplane or re-enplane such traffic at any point or points on the route system of that carrier also lying within one or more of the above-named areas in which the route terminal or terminals lie; and
- (5) Flights by United States carriers, which are not carriers falling under subparagraph 3 or 4 above, which enplane nonscheduled air service traffic in passengers at a point or points in the territory of Canada and deplane or re-enplane such traffic at any point or points in the State of Hawaii, California, Nevada, Arizona, Florida, Puerto Rico or the U.S. Virgin Islands.

V. Conditions and Interpretations

A. Transportation under this Agreement of traffic having a prior, subsequent or intervening movement by any mode of air transportation to or from territories other than those of the United States and Canada is prohibited, except for passengers moving independently of any group.

B. The performance of any otherwise authorized nonscheduled air service by a carrier as an aircraft lessee shall be considered as an operation under this Agreement, subject to conditions which either Contracting Party may establish governing "dry" or "wet" leases. However, operations conducted by a carrier as a lessor of an aircraft shall not be deemed to be within the scope of this Agreement insofar as the lessor is concerned.

C. A carrier which operates flights of the types listed in subparagraphs (1) and (2) of paragraph C of Section IV of this Annex for enplanements in the territory of the Contracting Party of which it is a national shall not thereby