

A. Enplane (and subsequently deplane on return trips) at any point or points in the territory of the United States nonscheduled air service traffic which is to be deplaned or re-enplaned at any point or points in the territory of Canada.

B. Deplane or re-enplane at any point or points in the territory of the United States nonscheduled air service traffic which has been enplaned at any point or points in the territory of Canada.

IV. *Directional Balance of Enplanements*

A. The number of flights⁽¹⁾ of each carrier of one Contracting Party, which have enplaned nonscheduled air service traffic in the territory of the other Contracting Party, shall not have exceeded by more than one-third the number of flights by such carrier which have enplaned nonscheduled air service traffic in the territory of the first Contracting Party during the period of time beginning with the first quarter year (ending on March 31, June 30, September 30, and December 31) in which such carrier first performed any flight transporting non-scheduled air service traffic under this Agreement and ending with the most recently completed quarter year. The aeronautical authorities of that other Contracting Party may withhold approval of a flight, series of flights or part of a series of flights proposed to be operated by a carrier of the first Contracting Party, if such carrier has, at the end of any quarter year, other than the first quarter year of its operations under this Agreement, exceeded the above directional balance relationship. Any such withholding of approval shall not extend beyond the last day of the quarter year after the quarter year in which such conformity has been restored.

B. Paragraph A above shall be applied separately for each carrier to:

- (1) Large aircraft flights for the movement of traffic in passengers;
- (2) Large aircraft flights for the movement of traffic in property;
- (3) Small aircraft flights for the movement of traffic in passengers; and
- (4) Small aircraft flights for the movement of traffic in property.

C. The provisions of paragraph A above shall not be applicable to the following flights, but such flights shall be subject to the provisions of Annex C to the extent specified therein:

- (1) Round-trip flights performed in charter air service as single entity passenger charters to a parent or affiliate of the carrier solely for land sales purposes, and where no charge or other financial obligation is imposed directly or indirectly on the passenger as a condition of carriage or accommodation during the trip;

⁽¹⁾ For the purposes of this provision, any flight, either one-way or round-trip (including circle tour and open-jaw as round-trip), shall be counted as one flight.