

(c) the requirements of through airline operation.

5. Each designated airline of a Contracting Party shall be free to use its commercial judgment with respect to the capacity to be provided consistent with the principles set out in this Article. Neither Contracting Party or its aeronautical authorities may unilaterally impose any restrictions on the designated airline or airlines of the other Contracting Party with respect to capacity, frequency or type of aircraft employed in connection with services over any of the routes specified in the Annex to this Agreement.

Article XI is amended as follows:

STATUTORY NOTICE PERIOD FOR FILING TARIFFS:

1. With reference to paragraph 2 of Article XI of the Agreement, proposed tariffs shall, if required, be filed at least fifteen(15) days before the proposed date of introduction in lieu of forty-five days. Similarly, with respect to paragraph 4 of the said Article, the period for notice of dissatisfaction for filed tariffs shall be at least ten(10) days in lieu of thirty (30) days.

The following provisions are added to the Agreement relative to the operation of passenger charter flights:

CHARTER AIR SERVICES

1. In the performance of charters Canadian and Mexican air carriers shall have the right, without uplift ratio restrictions, capacity/frequency limitations, the offering of a right of first refusal to designated air carriers, and on a nondiscriminatory basis, to:

(a) carry traffic between any point or points in the territory of the Contracting Party of which the air carrier is a national and any point or points in the territory of the other Contracting Party, without local or stopover traffic rights between points in the territory of the other Contracting Party;

(b) combine on the same aircraft international charter traffic destined to a point(s) in the territory of the other Contracting Party with traffic destined to a point(s) in a third country, without local or stopover traffic rights between the territory of the other Contracting Party and the third country;

(c) charter the unused bellyhold space of aircraft chartered for the carriage of passengers for the carriage of cargo.

2. Charter flights or series of charter flights shall be sold and operated in accordance with the charter regulations of the country of origin of the charter traffic. To the fullest extent possible the aeronautical authorities shall minimize the administrative burden imposed on air carriers.

3. Fees or charges for permits to operate charters applied by the aeronautical authorities of one Contracting Party to the airlines of the other Contracting Party shall be no higher than the lowest such fees or charges applied to any other air carrier operating international charters to or from that territory.

The Route Schedule of the Agreement is superseded in its entirety and the following is substituted therefore: