

ARTICLE III

(Change of Gauge)

A designated airline of one Contracting Party may make a change of gauge at any point on the specified route only on the following conditions:

- (i) that it is justified by reason of economy of operation;
- (ii) that the capacity of the aircraft used on the section of the route more distant from the territory of the Contracting Party designating the airline is not larger than that used on the nearer section;
- (iii) that the aircraft of smaller capacity shall operate only in connection with the aircraft of larger capacity and shall be scheduled to do so; the former shall arrive at the point of change for the purpose of carrying traffic transferred from, or to be transferred into, the aircraft of larger capacity; and their capacity shall be determined with primary reference to this purpose;
- (iv) that there is an adequate volume of through traffic;
- (v) that the airline shall not hold itself out to the public by advertisement or otherwise as providing a service which originates at the point where the change of aircraft is made, unless otherwise permitted by the Annex;
- (vi) that in connection with any one aircraft flight into the territory of the other Contracting Party, only one flight may be made out of that territory unless the airline is authorized by the aeronautical authorities of the other Contracting Party to operate more than one flight; and
- (vii) that the provisions of Article XI of the present Agreement shall govern all arrangements made with regard to change of gauge.

ARTICLE IV

(Designation)

1. Each Contracting Party shall have the right to designate, by diplomatic note, an airline to operate the agreed services on the routes specified in the Annex for such a Contracting Party and to substitute another airline for that previously designated.

2. Pursuant to Articles 77 and 79 of the Convention on International Civil Aviation, permitting two or more States to constitute joint air transport operating