

(3) The agreed services provided by the designated airlines of the Contracting Parties shall bear a close relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objective the provision at a reasonable load factor of capacity adequate to meet the current and reasonably anticipated requirements for the carriage of passengers and cargo (including mail), separately or in combination, originating in or destined for the area of the Contracting Party which has designated the airline. Provision for the carriage of passengers and cargo (including mail), separately or in combination, both taken on board and discharged at points on the specified routes other than points in the area of the Contracting Party which designated the airline shall be made in accordance with the general principles that capacity shall be related to:

- (a) traffic requirements to and from the area of the Contracting Party which has designated the airline;
- (b) traffic requirements of the region through which the agreed service passes, after taking account of other transport services established by airlines of the States comprising the region; and
- (c) the requirements of through airline operation.

(4) The capacity to be provided on the specified routes shall be such as is from time to time mutually agreed by the aeronautical authorities of the Contracting Parties.

## ARTICLE 10

### *Tariffs*

(1) (a) The term "tariff" means:

- (i) the fare charged by an airline for the carriage of passengers and their baggage on scheduled air services and the charges and conditions for services ancillary to such carriage;
- (ii) the rate charged by an airline for the carriage of cargo (excluding mail) on scheduled air services;
- (iii) the conditions governing the availability or applicability of any such fare or rate including benefits attaching to it.

(b) Reference in this Article to "the same route" is to the route operated, not the specified route.

(2) The tariffs to be charged by the designated airlines of the Contracting Parties for carriage between Hong Kong and Canada shall be those approved (expressly or tacitly) by both aeronautical authorities and shall be established at reasonable levels, due regard being had to all relevant factors, including the cost of operating the agreed services, the interests of users, reasonable profit and the tariffs of other airlines operating over the whole or part of the same route.