

ARTICLE 3

Designation of Airline

Each Contracting Party shall have the right to designate, by diplomatic note, to the other Contracting Party, 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.

ARTICLE 4

Authorization of Services

1. Following receipt of a notice of designation or of substitution pursuant to Article 3 of this Agreement, the aeronautical authorities of the other Contracting Party shall, consistent with its laws and regulations, grant without delay to the airline so designated the appropriate authorizations to operate the agreed services for which that airline has been designated.

2. Upon receipt of such authorizations the airline may begin at any time to operate the agreed services, in whole or in part, provided that the airline complies with the applicable provisions of this Agreement and that tariffs are established in accordance with the provisions of Article 13 of this Agreement.

ARTICLE 5

Revocation or Suspension of Operating Authorization

1. The aeronautical authorities of each Contracting Party shall have the right to withhold the authorizations referred to in Article 4 with respect to an airline designated or an airline substituted by the other Contracting Party, to revoke or suspend such authorizations or impose conditions, temporarily or permanently:

- (a) in the event of failure by such airline to satisfy them that it is qualified to fulfill the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air service by these authorities in conformity with the Convention;
- (b) in the event of failure by such airline to operate in accordance with the conditions prescribed under this Agreement;
- (c) in the event of failure by such airline to comply with the laws and regulations of that Contracting Party;
- (d) in the event that they are not satisfied that substantial ownership and effective control of the airline are vested in the Contracting Party designating the airline or in its nationals.

2. Unless immediate action is essential to prevent infringement of the laws and regulations referred to above, the rights enumerated in paragraph 1 of this Article