

- (a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;
  - (b) traffic requirements of the area through which the airline passes after taking account of other transport services established by airlines of the States comprising the area; and
  - (c) the requirements of through airline operation.
5. A designated airline of a Contracting Party shall be free to use its commercial judgment with respect to the capacity to be provided in accordance with the principles set out in this Article, unless otherwise agreed between the aeronautical authorities of both Contracting Parties as follows. Should the aeronautical authorities of one Contracting Party object to the capacity operated by a designated airline they shall advise the aeronautical authorities of the other Contracting Party, and either may request consultations in accordance with Article XX of this Agreement in an effort to resolve the matter. If the aeronautical authorities of the Contracting Parties agree they shall immediately take appropriate steps to implement their agreement.

## ARTICLE XI

### Change of Aircraft

1. A designated airline of one Contracting Party may make a change of aircraft in the territory of the other Contracting Party or at an intermediate point in third countries on the routes specified in this Agreement under the following conditions:
- (a) the change of aircraft is justified by reason of economy of operation;
  - (b) the capacity provided by that designated airline on the aircraft used on the sector of the route more distant from the territory of the Contracting Party designating the airline is not larger than that provided on the nearer sector;
  - (c) the aircraft used on the sector of the route more distant from the territory of the Contracting Party designating an airline shall operate in connection with the agreed service provided with the aircraft used on the nearer sector and shall be scheduled so to do;
  - (d) there is an adequate volume of through traffic;
  - (e) that designated airline shall not hold itself out, directly or indirectly and whether in timetables, computer reservation systems, fare quote systems or advertisements, or by other like means, as providing any service other than the agreed service on the relevant specified routes;
  - (f) where an agreed service includes a change of aircraft, this fact is shown in all timetables, computer reservation systems, fare quote systems, advertisements and other like means of holding out the service;
  - (g) where a change of aircraft is made in the territory of the other Contracting Party, the number of outgoing flights shall not exceed the number of incoming flights, unless otherwise authorized by the aeronautical authorities of that other Contracting Party or specifically provided for in this Agreement; and