

on the specified routes in the territories of States other than that designating the airline. Such additional capacity shall be related to traffic demands of the areas through which the designated airline operates, after taking account of the air services established by airlines of the other Contracting State and of the States referred to above in so far as they are carrying international air traffic originating in or destined for their territories.

5. A designated airline of one Contracting State shall not operate a service over a section of a specified route by means of a "change of gauge" without the prior approval of the aeronautical authorities of the other Contracting State.

ARTICLE VIII

1. The designated airlines shall furnish reasonable notice to the aeronautical authorities of both Contracting States prior to the inauguration of services on the routes specified in accordance with paragraph (2) of Article II, the type of service, the types of aircraft to be used and the flight schedules. This shall likewise apply to later changes. The aeronautical authorities of one Contracting State shall furnish to the aeronautical authorities of the other Contracting State at their request such periodic or other statistical data of the designated airlines as may be reasonably required for the purpose of reviewing the capacity provided by any designated airline of the first Contracting State on the routes specified in accordance with paragraph (2) of Article II. Such data shall include all information required to determine the amount of traffic carried and the origins and destinations of such traffic.

ARTICLE IX

1. Tariffs to be charged for passengers and freight on the routes specified in accordance with paragraph (2) of Article II shall be fixed by taking into account all factors, such as cost of operation, reasonable profit, the characteristics of the various routes and the tariffs charged by any other airlines which operate over the same routes or parts thereof. In fixing such tariffs, the provisions of the following paragraphs should be observed.

2. The tariffs shall, if possible, be fixed for each route by agreement between the designated airlines concerned. For this purpose the designated airlines should abide by such decisions as are applicable under the traffic conference procedures of the International Air Transport Association (IATA), or should, if possible, agree directly between themselves after consulting with airlines of third countries which operate over the same routes or parts thereof.

3. Any tariffs so agreed shall be submitted for approval to the aeronautical authorities of both Contracting States at least thirty days prior to the proposed date of their introduction. This period may be reduced in special cases if the aeronautical authorities so agree.

4. If no agreement has been reached between the designated airlines in accordance with paragraph (2) above, or if one of the Contracting States does not agree to the tariffs submitted for its approval in accordance with paragraph (3) above, the aeronautical authorities of the two Contracting States should by common accord fix the tariffs for those routes or parts thereof on which no agreement was reached.