

7-11-06

Dec. 12, 2005

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE UNITED MEXICAN STATES
AMENDING THE AIR TRANSPORT AGREEMENT OF
AUGUST 15, 1960, AS AMENDED AND EXTENDED**

The Government of the United States of America and the Government of the United Mexican States (hereinafter, "the Parties");

RECALLING the Air Transport Agreement between the Parties of August 15, 1960, as amended and extended (hereinafter, "the Air Transport Agreement");

DESIRING to amend the Air Transport Agreement;

Have agreed as follows:

ARTICLE 1

The Annexes to the Air Transport Agreement shall be deleted and replaced by the following:

ANNEX I: SCHEDULED SERVICES**A. Route Schedule: Combination Service (Persons, Cargo and/or Mail)**

1. The airline or airlines designated by the Government of the United States of America shall be entitled to operate air services on each of the air routes specified, in both directions, and to make scheduled stops in Mexico at the points specified in this paragraph:
 - a. From a point or points in the United States to a point or points in Mexico.¹
 - b. From Dallas/Fort Worth and San Antonio to Mexico City, Toluca and Acapulco, and beyond to points in Panama and beyond.
 - c. From New York, Washington, Baltimore, Los Angeles and Houston to Mexico City and Toluca, and beyond to a point or points in Central and/or South America.

2. The airline or airlines designated by the Government of the United Mexican States shall be entitled to operate air services on each of the air routes specified, in both directions, and to make scheduled stops in the United States at the points specified in this paragraph:
 - a. From a point or points in Mexico to a point or points in the United States.¹
 - b. From Acapulco, Hermosillo, Mexico City, Toluca, Monterrey, Oaxaca, Puerto Escondido, Tampico, Veracruz, Villahermosa, and Zihuatanejo to Chicago, Kansas City, Minneapolis/St. Paul and St. Louis, and beyond to Canada.

¹ A list of airports in the United States that have the necessary facilities to accommodate international traffic is published and periodically updated by the Federal Aviation Administration in Aeronautical Information Publication - United States, which has been provided to the Mexican authorities for this purpose. The Government of the United Mexican States has provided a comparable list of airports in Mexico to the Government of the United States, which will be updated periodically.

- c. From Acapulco, Chihuahua, Guadalajara, Guaymas, Hermosillo, Huatulco, La Paz, Loreto, Manzanillo, Mazatlan, Mexico City, Toluca, Monterrey, Puerto Escondido, Puerto Vallarta, San Jose del Cabo, and Zihuatanejo to Cleveland, Detroit, Philadelphia, Washington, and Baltimore, and beyond to Canada.
- d. From Acapulco, Guadalajara, Huatulco, Loreto, Manzanillo, Mazatlan, Mexico City, Toluca, Monterrey, Puerto Vallarta, San Jose del Cabo, and Zihuatanejo to Boston and New York, and beyond to Europe.
- e. From Cancun, Cozumel, Guadalajara, Merida, Mexico City, Toluca and Monterrey to Houston and New Orleans, and beyond to Canada and Europe.
- f. From Guadalajara, Huatulco, Merida, Mexico City, Toluca and Oaxaca to Miami, and beyond.

B. Operating Conditions: Combination Service (Persons, Cargo and/or Mail)

- 1. For all services authorized under Paragraph A, each of the designated airlines is permitted: (a) to omit points on any or all flights, in one or both directions, provided at least one point in the homeland of the airline is served on each flight; (b) to combine points in any order on the authorized routes; (c) to operate fewer flights in one direction than in the other; and (d) to combine different flight numbers within one aircraft operation.
- 2. Neither Party shall impose unilateral restrictions on an airline or airlines of the other Party with respect to capacity, frequencies or type of aircraft employed in any service authorized in Paragraph A of this Annex.
- 3. At any time after a Party has designated an airline for service between particular points, that Party may cancel that airline's designation and designate another airline, pursuant to its domestic law and regulations.
- 4. Except as provided in subparagraph 5 of this paragraph, either of the Parties shall be entitled to designate two airlines to provide scheduled combination

services on any city pair between the two territories that may be served under the Agreement. Such designations shall be notified to the other Party in writing.

5. Except as provided in sections a and b of this subparagraph, each Party shall be entitled to designate three airlines to provide scheduled combination services between any point or points in the United States and the following points in Mexico: Acapulco, Cancun, Cozumel, Guadalajara, Huatulco, Ixtapa/Zihuatanejo, Loreto, Manzanillo, Mazatlan, Merida, Monterrey, Oaxaca, Puerto Vallarta, and San Jose del Cabo. Such designations shall be notified to the other Party in writing.
 - a. Through October 26, 2007, each Party shall be entitled to designate two airlines to provide scheduled combination services between any point or points in the United States and the following points in Mexico: Guadalajara and Monterrey.
 - b. Effective October 27, 2007, each Party shall be entitled to designate three airlines to provide scheduled combination services between any point or points in the United States and the following points in Mexico: Guadalajara and Monterrey.
6. For purposes of designations under this Agreement, Washington, D.C. and Baltimore shall be regarded as separate cities, and Mexico City and Toluca shall be regarded as separate cities.
7. Airlines of either Party designated to serve Toluca may hold out, sell and provide services to or from Toluca as combination services to or from Mexico City. This subparagraph shall not be construed to authorize air services not otherwise authorized to or from Benito Juarez International Airport.
8. Airlines of either Party designated to serve Baltimore may hold out, sell and provide services to or from Baltimore as combination services to or from Washington. Similarly, airlines of either Party designated to serve

Washington may hold out, sell and provide services to or from Washington as combination services to or from Baltimore.

9. The designated airlines of each Party may provide air cargo service in conjunction with surface transportation at a single through price for the air and surface transportation combined. Such service may only be provided if arrangements are entered into with operators of intermodal services, authorized in accordance with each country's laws.
10. To the extent allowed by its legislation, each Party may choose to give priority consideration to the request(s) of its small aircraft or regional operators for designation between points that have remained unserved for a twelve-month period by the carrier authorized to serve them. Each Party may establish internally its own standards to define what constitutes a small aircraft or regional operator and to determine when such points are unserved.
11. A Contracting Party may remove a city-pair segment or segments from any route for which it has not yet designated a carrier and incorporate it into its Route Schedule as a new route, provided no more than one airline is designated over each city-pair segment of each route.

C. Route Schedule: All-Cargo Service (Cargo and/or Mail)

1. The airline or airlines designated by the Government of the United States of America shall be entitled to operate all-cargo air services on each of the air routes specified, in both directions, and to make scheduled stops in Mexico at the points specified in this paragraph:

From a point or points in the United States to a point or points in Mexico.²

2. The airline or airlines designated by the Government of the United Mexican States shall be entitled to operate all-cargo air services on each of the air routes specified, in both directions, and to make scheduled stops in the United States at the points specified in this paragraph:

From a point or points in Mexico to a point or points in the United States.²

D. Operating Conditions: All-Cargo Service (Cargo and/or Mail)

1. Except as provided in sections a and b of this subparagraph and in subparagraph 2 of this Paragraph, each Party shall be entitled to designate three airlines to provide scheduled all cargo services on any city pair between the two territories that may be served under this Agreement. Such designations shall be notified to the other Party in writing.
 - a. Through October 26, 2007, each Party shall be entitled to designate two airlines to provide scheduled all-cargo services between any point or points in the United States and the following points in Mexico: Guadalajara and Monterrey.
 - b. Effective October 27, 2007, each Party shall be entitled to designate three airlines to provide scheduled all-cargo services between any point or points in the United States and the following points in Mexico: Guadalajara and Monterrey.
2. Each Party shall be entitled to designate five airlines to provide service on its routes involving Mexico City (Benito Juarez International Airport), provided

² A list of airports in the United States that have the necessary facilities to accommodate international traffic is published and periodically updated by the Federal Aviation Administration in Aeronautical Information Publication - United States, which has been provided to the Mexican authorities for this purpose. The Government of the United Mexican States has provided a comparable list of airports in Mexico to the Government of the United States, which will be updated periodically.

that each Party designate no more than one carrier for any city-pair segment; except that:

- a. Each Party shall be entitled to designate two carriers with respect to routes between Mexico City (Benito Juarez International Airport) and the following cities: Chicago, Dallas/Ft. Worth, Dayton, Houston, Laredo, Miami, New York, and San Francisco; and
 - b. Each Party shall be entitled to designate three carriers with respect to routes between Mexico City (Benito Juarez International Airport) and Los Angeles.
3. For all services set forth in Paragraph C of this Annex, each of the designated airlines is permitted: (a) to omit points on any or all flights, in one or both directions, provided at least one point in the homeland of the airline is served on each flight; (b) to combine points in any order on the authorized routes; (c) to operate fewer flights in one direction than the other; and (d) to combine different flight numbers within one aircraft operation.
 4. Neither Party shall impose unilateral restrictions on any airline or airlines of the other Party with respect to capacity, frequencies or type of aircraft employed in any service authorized in Paragraph C of this Annex.
 5. At any time after a Party has designated an airline for service between particular points, that Party may cancel that airline's designation and designate another airline, pursuant to its domestic law and regulations.
 6. The right of a designated airline of one Party to serve a city pair or pairs, to operate its services from one or more points or to serve one or more points in the territory of the other Party does not constitute cabotage or confer the right to engage in cabotage.
 7. The aeronautical authorities of a Party will allow an airline or airlines designated by the other Party to serve points beyond its territory without the

right to pick up or discharge cargo from or to that Party's territory and to or from the beyond point or points.

8. Airlines designated in accordance with Paragraph C of this Annex shall be subject to the laws and regulations of each Party that relate to the transportation of cargo.
9. The designated airlines of each Party may provide air cargo service in conjunction with surface transportation at a single through price for the air and surface transportation combined. Such service may only be provided if arrangements are entered into with operators of intermodal services, authorized in accordance with each country's laws.
10. For purposes of designations under this Agreement, Washington, D.C. and Baltimore shall be regarded as separate cities, and Mexico City and Toluca shall be regarded as separate cities.
11. Airlines of either Party designated to serve Baltimore may hold out, sell and provide services to Baltimore as cargo services to Washington. Similarly, airlines of either Party designated to serve Washington may hold out, sell and provide services to Washington as cargo services to Baltimore.
12. Airlines of either Party designated to serve Toluca, Puebla, or Queretaro may hold out, sell and provide services to these cities as cargo services to Mexico City. This subparagraph shall not be construed to authorize air services not otherwise authorized to or from Benito Juarez International Airport.

ANNEX II: CHARTER SERVICES

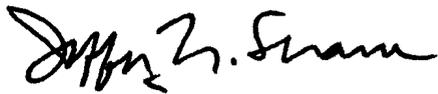
1. Scheduled and charter airlines may operate charter flights (including combination and all cargo services) between the territories of the Parties upon completion of the following requirements:

- a. An interested carrier must apply for registration as a charter air carrier, and must have permission from its government to perform charter air transportation.
 - b. Scheduled airlines designated under this Agreement are exempt from the foregoing requirement, and may also operate charter services.
 - c. In the case of individual charter flights and charter flight programs or series of flights, each Party's airlines that are in possession of the appropriate permits issued by the Government of Mexico and the Government of the United States, that have all of their documents in order, and that have complied with all of the established requirements, may perform charter flights of passengers or of cargo between both territories, presenting a flight notification form: (1) at least 24 hours in advance of an individual charter or in advance of the first flight in a charter flight program or series of flights involving fewer than ten flights; or (2) at least five working days in advance of the first flight in a charter flight program or series of flights involving ten or more flights. Notifications may be submitted within a shorter period of time at the discretion of the receiving Party. Each Party shall make its best efforts to facilitate the authorization of a charter flight program or series of flights for which notice was not timely filed.
 - d. The applications for charter operations must comply with the provisions of Article 11 of the Agreement and the September 23, 1988 exchange of letters on reduced air fares. However, neither Party shall require the notification or filing by airlines of the other Party of prices charged by charterers to the public.
 - e. If requested, charter operators shall present to the tariff authorities of the country of destination the corresponding tariffs, for government use.
2. Except as provided in subparagraph c of paragraph 1, all requests shall be attended to immediately and, if properly filed, will be approved in a period no longer than fifteen (15) working days, in conformity with the official calendar of each Party, after the date of receipt. Applications filed five and fifteen working days in advance, pursuant to Paragraph 1 (c) above, shall be approved, respectively, within three and five working days, in conformity with the official calendar of each Party.

IN WITNESS WHEREOF, the undersigned being duly authorized by their respective Governments, have signed this Agreement.

Done at Mexico City, in two originals, this 12th day of December, 2005, in the English and Spanish languages, each text being equally authentic.

**FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:**



**Jeffrey N. Shane
Under Secretary of Transportation
for Policy**

**FOR THE GOVERNMENT OF
THE UNITED MEXICAN STATES:**



**Pedro Cerisola y Weber
Secretary of Communications
and Transport**