Common Aviation Area Agreement

between the European Union and its Member States, of the one part, and Georgia, of the other part

Brussels, 02 December 2010

[The Agreement is not in force]

Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
April 2011
European Union No. 1 (2011)

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COMMON AVIATION AREA AGREEMENT BETWEEN THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE ONE PART, AND GEORGIA, OF THE OTHER PART

THE KINGDOM OF BELGIUM,

THE REPUBLIC OF BULGARIA,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE REPUBLIC OF ESTONIA,

IRELAND,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

THE ITALIAN REPUBLIC,

THE REPUBLIC OF CYPRUS,

THE REPUBLIC OF LATVIA,

THE REPUBLIC OF LITHUANIA,

THE GRAND DUCHY OF LUXEMBOURG,

THE REPUBLIC OF HUNGARY,

MALTA,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE REPUBLIC OF POLAND,

THE PORTUGUESE REPUBLIC,

ROMANIA,
THE REPUBLIC OF SLOVENIA,

THE SLOVAK REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Parties to the Treaty on European Union and the Treaty on the Functioning of the European Union, hereinafter referred to as the "Member States", and

THE EUROPEAN UNION,

of the one part, and

GEORGIA, hereinafter referred to as "Georgia",

of the other part,

NOTING the Agreement on Partnership and Cooperation between the European Communities and their Member States, of the one part, and Georgia, of the other part, done at Luxembourg on 22 April 1996;¹

DESIRING to create a Common Aviation Area (CAA) based on mutual market access to the air transport markets of the Parties, with equal conditions of competition, and respect of the same rules – including in the areas of safety, security, air traffic management, social aspects and the environment;

DESIRING to facilitate the expansion of air transport opportunities, including through the development of air transport networks to meet the needs of passengers and shippers for convenient air transport services;

RECOGNISING the importance of air transport in promoting trade, tourism and investment;

NOTING the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944;²

AGREEING that it is appropriate to base the CAA rules on the relevant legislation in force within the European Union, as laid down in Annex III to this Agreement;

RECOGNISING that full compliance with the CAA rules entitle the Parties to reap its full advantages including opening access to markets and maximising benefits for the consumers, and the industries and labour of both Parties;

¹ Treaty Series No. 043 (2000) Cm 4685
² Treaty Series No. 008 (1953) Cmd 8742
RECOGNISING that the creation of the CAA and implementation of its rules cannot be achieved without transitional arrangements where necessary;

RECOGNISING the importance of adequate assistance in this regard;

DESIRING to make it possible for air carriers to offer the travelling and shipping public competitive prices and services in open markets;

DESIRING to have all sectors of the air transport industry, including air carrier workers, benefit in a liberalised agreement;

DESIRING to ensure the highest degree of safety and security in international air transport and reaffirming their grave concern with regard to acts or threats against the security of aircraft, which jeopardise the safety of persons or property, adversely affect the operation of air transport and undermine public confidence in the safety of civil aviation;

DESIRING to ensure a level playing field for air carriers, allowing fair and equal opportunity for their air carriers to provide the agreed services;

RECOGNISING that subsidies may adversely affect air carrier competition and may jeopardise the basic objectives of this Agreement;

AFFIRMING the importance of protecting the environment in developing and implementing international aviation policy and recognising the rights of sovereign States to take appropriate measures to this effect;

NOTING the importance of protecting consumers, including the protections afforded by the Convention for the Unification of Certain Rules for International Carriage by Air, done at Montreal 28 May 19993;

INTENDING to build upon the framework of existing air transport agreements with the goal of opening access to markets and maximising benefits for the consumers, air carriers, labour, and communities of both Parties;

HAVE AGREED AS FOLLOWS:

ARTICLE 1

Definitions

For the purposes of this Agreement, unless otherwise stated, the term:

(1) "Agreed services" and "Specified routes" mean international air transport

3 Treaty Series No. 004 (2000) Cm 4657
pursuant to Article 2 (Grant of Rights) of, and Annex I to, this Agreement;

(2) "Agreement" means this Agreement, its Annexes, and any amendments thereto;

(3) "Air transport" means the carriage by aircraft of passengers, baggage, cargo, and mail, separately or in combination, held out to the public for remuneration or hire, which, for the avoidance of doubt, shall include scheduled and non-scheduled (charter) air transport, and full cargo services;

(4) "Competent authorities" means the government agencies or entities responsible for the administrative functions under this Agreement;

(5) "Fitness" means whether an air carrier is fit to operate international air services, that is to say, whether it has satisfactory financial capability and adequate managerial expertise and is disposed to comply with the laws, regulations, and requirements which govern the operation of such services;

(6) "Citizenship" means whether an air carrier satisfies requirements regarding such issues as its ownership, effective control, and principal place of business.

(7) "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on 7 December 1944, and includes:

   (a) any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by both Georgia and the Member State or Member States of the European Union, and

   (b) any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is at any given time effective for both Georgia and the Member State or Member States of the European Union as is relevant to the issue in question;

(8) "Fifth freedom right" means the right or privilege granted by one state (the "Granting State") to the air carriers of another State ("the Recipient State"), to provide international air transport services between the territory of the Granting State and the territory of a third state, subject to the condition that such services originate or terminate in the territory of the Recipient State;

(9) "Full cost" means the cost of providing service plus a reasonable charge for administrative overhead and where relevant any applicable charges aimed at reflecting environmental costs and applied without distinction as to nationality;

(10) "International air transportation" means air transportation which passes through the air space over the territory of more than one State;

(11) "ECAA Agreement" means the multilateral Agreement between the European Community and its Member States, the Republic of Albania, Bosnia and Herzegovina, the Republic of Croatia, the former Yugoslav Republic of Macedonia,
the Republic of Iceland, the Republic of Montenegro, the Kingdom of Norway, the Republic of Serbia and the United Nations Interim Administration Mission in Kosovo⁴ on the establishment of a European Common Aviation Area⁵.

(12) "Euromed country" means any Mediterranean country involved in the European Neighbourhood Policy (which are, on the date of signature of the Agreement, Morocco, Algeria, Tunisia, Libya, Egypt, Lebanon, Jordan, Israel, the Palestinian territory, Syria and Turkey);

(13) "National" means any person having Georgian nationality for the Georgian Party, or the nationality of a Member State for the European Party, or entity, insofar as, in the case of a legal entity, it is at all times under the effective control, be it directly or by majority participation, of persons having Georgian nationality for the Georgian Party, or persons or entities having the nationality of a Member State or one of the third countries identified in Annex IV for the European Party;

(14) "Operating Licences" means, in the case of the European Union and its Member States operating licences and any other relevant documents or certificates given under the relevant EU legislation in force and, in the case of Georgian licences, certificates or permits given under the relevant Georgian legislation in force;

(15) "Parties" shall mean, on the one hand, the European Union or its Member States, or the European Union and its Member States, in accordance with their respective powers (the European Party), and, on the other hand, Georgia (the Georgian Party);

(16) "Price" means:

(i) "air fares" to be paid to air carriers or their agents or other ticket sellers for the carriage of passengers and baggage on air services and any conditions under which those prices apply, including remuneration and conditions offered to agency and other auxiliary services; and

(ii) "air rates" to be paid for the carriage of cargo and the conditions under which those prices apply, including remuneration and conditions offered to agency and other auxiliary services.

This definition covers, where applicable, the surface transportation in connection with international air transport, and the conditions to which their application is subject.

(17) "Principal place of business" means the head office or registered office of an air carrier in the Party within which the principal financial functions and operational control, including continued airworthiness management, of the air carrier are exercised;

(18) "Public service obligation" means any obligation imposed upon air carriers to

⁴ pursuant to UN Security Council Resolution 1244 of 10 June 1999.
⁵ European Communities No. 005 (2009) Cm 7782
ensure on a specified route the minimum provision of scheduled air services satisfying fixed standards of continuity, regularity, pricing and minimum capacity which air carriers would not assume if they were solely considering their commercial interest. Air carriers may be compensated by the Party concerned for fulfilling public service obligations;

(19) "Subsidy" means any financial contribution granted by the authorities or a regional organisation or another public organisation, i.e. when:

(a) a practice of a government or regional body or other public organisation involves a direct transfer of funds such as grants, loans or equity infusion, potential direct transfer of funds to the company, the assumption of liabilities of the company such as loan guarantees, capital injections, ownership, protection against bankruptcy or insurance;

(b) revenue of a government or regional body or other public organisation that is otherwise due is foregone, not collected, or unduly diminished;

(c) a government or regional body or other public organisation provides goods or services other than general infrastructure, or purchases goods or services; or

(d) a government or regional body or other public organisation makes payments to a funding mechanism or entrusts or directs a private body to carry out one or more of the type of functions illustrated under (a), (b) and (c) which would normally be vested in the government and, in practice, in no real sense differs from practices normally followed by governments;

and where a benefit is thereby conferred.

(20) "SESAR" means the technical implementation of the Single European Sky which provides a coordinated, synchronised research, development and deployment of the new generations of air traffic management systems;

(21) "Territory" means, for Georgia, the land areas and territorial waters adjacent thereto under its sovereignty, suzerainty, protection or mandate, and, for the European Union, the land areas (mainland and islands), internal waters and territorial sea in which the Treaty on the European Union and the Treaty on the Functioning of the European Union is applied and under the conditions laid down in those Treaties and any successor instrument. The application of this Agreement to Gibraltar airport is understood to be without prejudice to the respective legal positions of the Kingdom of Spain and the United Kingdom with regard to the dispute over sovereignty over the territory in which the airport is situated and to the continuing suspension of Gibraltar Airport from EU aviation measures existing as at 18 September 2006 as between Member States in accordance with the Ministerial Statement on Gibraltar Airport agreed in Cordoba on 18 September 2006;
"User charge" means a charge imposed on air carriers for the provision of airport, airport environmental, air navigation, or aviation security facilities or services including related services and facilities;

TITLE I

ECONOMIC PROVISIONS

ARTICLE 2

Grant of Rights

1. Each Party shall grant to the other Party in accordance with Annex I and Annex II, the following rights for the conduct of international air transport by the air carriers of the other Party:
   
   (a) the right to fly across its territory without landing;
   
   (b) the right to make stops in its territory for any purpose other than taking on or discharging passengers, baggage, cargo and/or mail in air transport (non-traffic purposes);
   
   (c) while operating an agreed service on a specified route, the right to make stops in its territory for the purpose of taking up and discharging international traffic in passengers, cargo and/or mail, separately or in combination; and
   
   (d) the rights otherwise specified in this Agreement.

2. Nothing in this Agreement shall be deemed to confer on the air carriers of:
   
   (a) Georgia the right to take on board, in the territory of any Member State, passengers, baggage, cargo, and/or mail carried for compensation and destined for another point in the territory of that Member State;
   
   (b) the European Union the right to take on board, in the territory of Georgia, passengers, baggage, cargo, and/or mail carried for compensation and destined for another point in the territory of Georgia.
ARTICLE 3

Authorisation

1. On receipt of applications for operating authorisation from an air carrier of one Party the competent authorities of the other Party shall grant appropriate authorisations with minimum procedural delay, provided that:

(a) for an air carrier of Georgia:

– the air carrier has its principal place of business in Georgia and holds a valid operating certificate in accordance with the applicable law of Georgia; and

– effective regulatory control of the air carrier is exercised and maintained by Georgia; and

– unless otherwise determined under Article 6 (Investment) of this Agreement, the air carrier is owned, directly or through majority ownership, and effectively controlled by Georgia and/or its nationals.

(b) for an air carrier of the European Union:

– the air carrier has its principal place of business in the territory of a Member State under the Treaty on the Functioning of the European Union, and holds a valid operating licence; and

– effective regulatory control of the air carrier is exercised and maintained by the Member State responsible for issuing its Air Operators Certificate and the relevant Competent Authority is clearly identified; and

– unless otherwise determined under Article 6 (Investment) of this Agreement, the air carrier is owned, directly or through majority ownership, by Member States and/or by nationals of the Member States, or by other States listed in Annex IV, and/or of the nationals of these other States;

(c) the air carrier meets the conditions prescribed under the laws and regulations normally applied by the authority competent for the operation of air transport; and

(d) the provisions set forth in Article 14 (Aviation Safety) and Article 15 (Aviation Security) of this Agreement are being maintained and administered.
ARTICLE 4

Reciprocal Recognition of Regulatory Determinations with regard to Airline Fitness, Ownership and Control

Upon receipt of an application for authorisation from an air carrier of one Party, the competent authorities of the other Party shall recognise any fitness and/or citizenship determination made by the competent authorities of the first Party with respect to that air carrier as if such determination had been made by its own competent authorities, and not inquire further into such matters, except as provided for at Sections a) and b) below:

(a) If, after receipt of an application for authorisation from an air carrier, or after the grant of such authorisation, the competent authorities of the receiving Party have a specific reason for concern that, despite the determination made by the competent authorities of the other Party, the conditions prescribed in Article 3 (Authorisation) of this Agreement for the grant of appropriate authorisations or permissions have not been met, then they are to promptly advise those authorities, giving substantive reasons for their concern. In that event, either Party may seek consultations, which may include representatives of the relevant competent authorities, and/or additional information relevant to this concern, and such requests are to be met as soon as practicable. If the matter remains unresolved, either Party may bring the matter to the Joint Committee set up under Article 22 (Joint Committee) of this Agreement.

(b) This Article does not cover recognition of determinations in relation to:

- Safety certificates or licences;
- Security arrangements; or
- Insurance coverage.

ARTICLE 5

Refusal, Revocation, Suspension, Limitation of Authorisation

1. The competent authorities of either Party may refuse, revoke, suspend or limit the operating authorisations or otherwise suspend or limit the operations of an air carrier of another Party where:

(a) for an air carrier of Georgia:

- the air carrier does not have its principal place of business in Georgia or does not have a valid operating certificate in accordance
with the applicable law of Georgia; or

- effective regulatory control of the air carrier is not exercised or maintained by Georgia; or

- unless otherwise determined under Article 6 (Investment) of this Agreement, the air carrier is not owned or effectively controlled, directly or through majority ownership, by Georgia and/or nationals of Georgia.

(b) for an air carrier of the European Union:

- the air carrier does not have its principal place of business in the territory of a Member State under the Treaty on the Functioning of the European Union, or does not have a valid operating licence; or

- effective regulatory control of the air carrier is not exercised and maintained by the Member State responsible for issuing its Air Operators Certificate or the competent authority is not clearly identified; or

- unless otherwise determined under Article 6 (Investment) of this Agreement, the air carrier is not owned and effectively controlled, directly or through majority ownership, by Member States and/or nationals of Member States, or by the other States listed in Annex IV, and/or nationals of these other States;

(c) the air carrier has failed to comply with the laws and regulations referred to in Article 7 (Compliance with Laws and Regulations) of this Agreement; or

(d) the provisions set forth in Article 14 (Aviation Safety) and Article 15 (Aviation Security) of this Agreement are not being maintained or administered; or

(e) a Party has made the determination in accordance with Article 8 (Competitive Environment) of this Agreement that the conditions for a competitive environment are not being fulfilled.

2. Unless immediate action is essential to prevent further non-compliance with points (c) or (d) of paragraph 1 of this Article, the rights established by this Article shall be exercised only after consultation with the competent authorities of the other Party.

3. Neither Party shall use its rights established by the present Article to refuse, revoke, suspend or limit authorisations or permissions of any air carriers of a Party on the grounds that majority ownership and/or effective control of that air carrier is vested in one or more Party to the ECAA or their nationals, provided that such Party
or Parties to the ECAA offer reciprocal treatment.

**ARTICLE 6**

**Investment**

Notwithstanding Articles 3 (Authorisation) and 5 (Refusal, Revocation, Suspension, Limitation of Authorisation) of this Agreement, the majority ownership or the effective control of an air carrier of Georgia by Member States or their nationals, or of an air carrier of the European Union by Georgia or its nationals, shall be permitted by virtue of a prior decision of the Joint Committee established by this Agreement in accordance with Article 22 (2) (Joint Committee) of this Agreement.

This decision shall specify the conditions associated with the operation of the agreed services under this Agreement and with the services between third countries and the Parties. The provisions of Article 22 (8) (Joint Committee) of this Agreement shall not apply to this type of decision.

**ARTICLE 7**

**Compliance with Laws and Regulations**

1. While entering, within, or leaving the territory of one Party, the laws and regulations applicable within that territory relating to the admission to or departure from its territory of aircraft engaged in air transport, or to the operation and navigation of aircraft shall be complied with by the other Party's air carriers.

2. While entering, within, or leaving the territory of one Party, the laws and regulations applicable within that territory relating to the admission to or departure from its territory of passengers, crew or cargo on aircraft (including regulations relating to entry, clearance, immigration, passports, customs and quarantine or, in the case of mail, postal regulations) shall be complied with by, or on behalf of, such passengers, crew or cargo of the other Party's air carriers.

**ARTICLE 8**

**Competitive Environment**

1. The Parties acknowledge that it is their joint objective to have a fair and competitive environment for the operation of air services. The Parties recognise that fair competitive practices by air carriers are most likely to occur where these air carriers operate on a fully commercial basis and are not subsidised.

2. Within the scope of this Agreement, and without prejudice to any special provisions contained therein, any discrimination on grounds of nationality shall be
prohibited.

3. State aid which distorts or threatens to distort competition by favouring certain undertakings or certain aviation products or services is incompatible with the proper functioning of this Agreement, insofar as it may affect trade between the Parties in the aviation sector.

4. Any practices contrary to this Article shall be assessed on the basis of criteria arising from the application of the competition rules applicable in the European Union, in particular from Article 107 of the Treaty on the Functioning of the European Union and interpretative instruments adopted by the European Union institutions.

5. If one Party finds that conditions exist in the territory of the other Party, in particular due to a subsidy, which would adversely affect the fair and equal opportunity of its air carriers to compete, it may submit observations to the other Party. Furthermore, it may request a meeting of the Joint Committee, as provided for in Article 22 (Joint Committee) of this Agreement. From the receipt of such a request consultations shall start within 30 days. Failure to reach a satisfactory agreement within 30 days from the start of consultations shall constitute grounds for the Party that requested the consultations to take action to refuse, withhold, revoke, suspend or impose appropriate conditions on the authorisations of the air carrier(s) concerned, consistent with Article 5 (Refusal, Revocation, Suspension or Limitation of Authorisation) of this Agreement.

6. The actions, referred to in paragraph 5 of this Article, shall be appropriate, proportionate and restricted with regard to scope and duration to what is strictly necessary. They shall be exclusively directed towards the air carrier or air carriers benefiting from a subsidy or the conditions referred to in this Article, and shall be without prejudice to the right of either Party to take action under Article 24 (Safeguard measures) of this Agreement.

7. Each Party, upon notification to the other Party, may approach responsible government entities in the territory of the other Party including entities at the state, provincial or local level to discuss matters relating to this Article.

8. The provisions of this Article shall apply without prejudice to the Parties' laws and regulations regarding public service obligations in the territories of the Parties.

**ARTICLE 9**

**Commercial Opportunities**

Air Carrier Representatives

1. The air carriers of each Party shall have the right to establish offices in the territory of the other Party for the promotion and sale of air transport and related
activities.

2. The air carriers of each Party shall be entitled, in accordance with the laws and regulations of the other Party relating to entry, residence, and employment, to bring in and maintain in the territory of the other Party managerial, sales, technical, operational, and other specialist staff who are required to support the provision of air transport.

Ground Handling

3. (a) Without prejudice to point (b) below, each air carrier shall have in relation to groundhandling in the territory of the other Party:

   (i) the right to perform its own groundhandling ("self-handling") or, at its option

   (ii) the right to select among competing suppliers that provide groundhandling services in whole or in part where such suppliers are allowed market access on the basis of the laws and regulations of each Party, and where such suppliers are present in the market.

(b) For the following categories of groundhandling services, i.e. baggage handling, ramp handling, fuel and oil handling, freight and mail handling as regards the physical handling of freight and mail between the air terminal and the aircraft, the rights under point (a) (i) and (ii) shall be subject only to physical or operational constraints according to the laws and regulations applicable in the territory of the other Party. Where such constraints preclude self-handling and where there is no effective competition between suppliers that provide groundhandling services, all such services shall be available on both an equal and non discriminatory basis to all air carriers; prices of such services shall not exceed their full cost including a reasonable return on assets, after depreciation.

Sales, Local Expenses, and Transfer of Funds

4. Any air carrier of each Party may engage in the sale of air transport in the territory of the other Party directly and/or, at the air carrier’s discretion, through its sales agents, other intermediaries appointed by the air carrier or through internet. Each air carrier shall have the right to sell such transportation, and any person shall be free to purchase such transportation, in the currency of that territory or in freely convertible currencies in accordance with the local currency legislation.

5. Each air carrier shall have the right to convert and remit from the territory of the other Party to its home territory and, except where inconsistent with generally applicable law or regulation, to the country or countries of its choice, on demand, local revenues. Conversion and remittance shall be permitted promptly without restrictions or taxation in respect thereof at the rate of exchange applicable to current transactions and remittance on the date the carrier makes the initial application for
remittance.

6. The air carriers of each Party shall be permitted to pay for local expenses, including purchases of fuel, in the territory of the other Party in local currency. At their discretion, the air carriers of each Party may pay for such expenses in the territory of the other Party in freely convertible currencies in accordance with local currency legislation.

Cooperative Arrangements

7. In operating or holding out services under this Agreement, any air carrier of a Party may enter into cooperative marketing arrangements, such as blocked-space agreements or code-sharing arrangements, with:

(a) any air carrier or carriers of the Parties; and

(b) any air carrier or carriers of a third country; and

(c) any surface, land or maritime carriers;

provided that (i) all participants in such arrangements hold the appropriate underlying route authority and (ii) the arrangements meet the requirements relating to safety and competition normally applied to such arrangements. In respect of passenger transport sold involving code-shares, the purchaser shall be informed at the point of sale, or in any case before boarding, which transportation providers will operate each sector of the service.

8. (a) In relation to the transport of passengers, surface transportation providers shall not be subject to laws and regulations governing air transport on the sole basis that such surface transportation is held out by an air carrier under its own name. Surface transportation providers have the discretion to decide whether to enter into cooperative arrangements. In deciding on any particular arrangement, surface transportation providers may consider, among other things, consumer interests and technical, economic, space, and capacity constraints.

(b) Moreover, and notwithstanding any other provision of this Agreement, air carriers and indirect providers of cargo transportation of the Parties shall be permitted, without restriction, to employ in connection with air transport any surface transportation for cargo to or from any points in the territories of Georgia and the European Union, or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right[s] to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Air carriers may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other air carriers and indirect providers.
of cargo air transport. Such intermodal cargo services may be offered at a single, through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

Leasing

9. (a) The air carriers of each Party shall be entitled to provide the agreed services using aircraft and crew leased from any air carrier, including from third countries, provided that all participants in such arrangements meet the conditions prescribed under the laws and regulations normally applied by the Parties to such arrangements.

(b) Neither Party shall require the air carriers leasing out their equipment to hold traffic rights under this agreement.

(c) The leasing with crew (wet-leasing) by a Georgian air carrier of an aircraft of an air carrier of a third country, or, by an air carrier of the European Union, of an aircraft of an air carrier of a third country other than those mentioned in Annex IV to this Agreement, in order to exploit the rights envisaged in this Agreement, shall remain exceptional or meet temporary needs. It shall be submitted for prior approval of the licensing authority of the leasing air carrier and to the competent authority of the other Party.

Franchising/Branding

10. The air carriers of each Party shall be entitled to enter into franchising or branding arrangements with companies, including air carriers, of either Party or third countries, provided that the air carriers hold the appropriate authority and meet the conditions prescribed under the laws and regulations applied by the Parties to such arrangements, particularly those requiring the disclosure of the identity of the air carrier operating the service.

ARTICLE 10

Customs Duties and Taxation

1. On arriving in the territory of one Party, aircraft operated in international air transport by the air carriers of the other Party, their regular equipment, fuel, lubricants, consumable technical supplies, ground equipment, spare parts (including engines), aircraft stores (including but not limited to such items as food, beverages and liquor, tobacco and other products destined for sale to or use by passengers in limited quantities during flight), and other items intended for or used solely in connection with the operation or servicing of aircraft engaged in international air transport shall be exempt, on the basis of reciprocity, under its relevant applicable legislation, from all import restrictions, property taxes and capital levies, customs
duties, excise duties, and similar fees and charges that are (a) imposed by the national or local authorities or the European Union, and (b) not based on the cost of services provided, provided that such equipment and supplies remain on board the aircraft.

2. There shall also be exempt, on the basis of reciprocity, under its relevant applicable legislation, from the taxes, levies, duties, fees and charges referred to in paragraph 1 of this Article, with the exception of charges based on the cost of the service provided:

(a) aircraft stores introduced into or supplied in the territory of a Party and taken on board, within reasonable limits, for use on outbound aircraft of an air carrier of the other Party engaged in international air transport, even when these stores are to be used on a part of the journey performed over the said territory;

(b) ground equipment and spare parts (including engines) introduced into the territory of a Party for the servicing, maintenance, or repair of aircraft of an air carrier of the other Party used in international air transport;

(c) fuel, lubricants and consumable technical supplies introduced into or supplied in the territory of a Party for use in or on an aircraft of an air carrier of the other Party engaged in international air transport, even when these supplies are to be used on a part of the journey performed over the said territory;

(d) printed matter, as provided for by the customs legislation of each Party, introduced into or supplied in the territory of one Party and taken on board for use on outbound aircraft of an air carrier of the other Party engaged in international air transport, even when these stores are to be used on a part of the journey performed over the said territory; and

(e) safety and security equipment for use at airports or cargo terminals.

3. Notwithstanding any other provision to the contrary, nothing in this Agreement shall prevent a Party from imposing taxes, levies, duties, fees or charges on fuel supplied in its territory on a non-discriminatory basis for use in an aircraft of an air carrier that operates between two points in its territory.

4. Equipment and supplies referred to in paragraphs 1 and 2 of this Article may be required to be kept under the supervision or control of the appropriate authorities and not to be transferred without payment of relevant customs duties and taxes.

5. The exemptions provided by this Article shall also be available where the air carriers of one Party have contracted with another air carrier, which similarly enjoys such exemptions from the other Party, for the loan or transfer in the territory of the other Party of the items specified in paragraphs 1 and 2 of this Article.

6. Nothing in this Agreement shall prevent either Party from imposing taxes,
levies, duties, fees or charges on goods sold other than for consumption on board to passengers during a sector of an air service between two points within its territory at which embarkation or disembarkation is permitted.

7. Baggage and cargo in direct transit across the territory of a Party shall be exempt from taxes, customs duties, fees and other similar charges that are not based on the cost of the service provided.

8. The regular airborne equipment, as well as the materials and supplies normally retained on board the aircraft of an air carrier airline of either Contracting Party, may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that territory. In such case, they may be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

9. The stipulations of this Agreement shall not affect the field of VAT, with the exception of turnover tax on imports. The provisions of the respective conventions in force between a Member State and Georgia for the avoidance of double taxation on income and on capital remain unaffected by this Agreement.

ARTICLE 11

User Charges for Airports and Aviation Facilities and Services

1. Each Party shall ensure that user charges that may be imposed by its competent charging authorities or bodies on the air carriers of the other Party for the use of air navigation and air traffic control, airport, aviation security and related facilities and services shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. These charges may reflect, but shall not exceed, the full cost to the competent charging authorities or bodies of providing the appropriate airport and aviation security facilities and services at that airport or within that airport's system. These charges may include a reasonable return on assets, after depreciation. Facilities and services for which user charges are made shall be provided on an efficient and economic basis. In any event, these charges shall be assessed on the air carriers of the other Party on terms not less favourable than the most favourable terms available to any other air carrier at the time the charges are assessed.

2. Each Party shall require consultations between the competent charging authorities or bodies in its territory and the air carriers and/or their representative bodies using the services and facilities, and shall ensure that the competent charging authorities or bodies and the air carriers or their representative bodies exchange such information as may be necessary to permit an accurate review of the reasonableness of the charges in accordance with the principles of paragraphs 1 and 2 of this Article. Each Party shall ensure that the competent charging authorities or bodies provide users with reasonable notice of any proposal for changes in user charges to enable those authorities to consider the views expressed by the users before changes are
made.

3. Neither Party shall be held, in dispute resolution procedures pursuant to Article 23 (Dispute Resolution and Arbitration) of this Agreement, to be in breach of a provision of this Article, unless

   (a) it fails to undertake a review of the charge or practice that is the subject of complaint by the other Party within a reasonable amount of time; or

   (b) following such a review it fails to take all steps within its power to remedy any charge or practice that is inconsistent with this Article.

ARTICLE 12

Pricing

1. The Parties shall permit prices to be freely established by the air carriers on the basis of free and fair competition.

2. The Parties shall not require prices to be filed or notified.

3. Discussions between competent authorities may be held on matters such as, but not limited to prices which may be unjust, unreasonable, discriminatory or subsidised.

ARTICLE 13

Statistics

1. Each Party shall provide to the other Party statistics that are required by domestic laws and regulations, and, upon request, other available statistical information as may be reasonably required for the purpose of reviewing the operation of the air services.

2. The Parties shall cooperate in the framework of the Joint Committee under Article 22 (Joint Committee) of this Agreement to facilitate the exchange of statistical information between them for the purpose of monitoring the development of air services under this Agreement.
TITLE II
REGULATORY COOPERATION

ARTICLE 14

Aviation safety

1. Subject to the transitional provisions set out in Annex II to this Agreement, the Parties shall act in conformity with the provisions of the aviation safety legislation specified in Part C of Annex III to this Agreement, under the conditions set out hereafter.

2. The Parties shall cooperate to ensure the implementation by Georgia of the legislation referred to in paragraph 1 of this Article. To this purpose, Georgia shall be involved in the work of the European Aviation Safety Agency as an observer from the date of entry into force of this Agreement.

3. The Parties shall ensure that aircraft registered in one Party suspected of non-compliance with international aviation safety standards established pursuant to the Convention landing at airports open to international air traffic in the territory of the other Party shall be subject to ramp inspections by the competent authorities of that other Party, on board and around the aircraft to check both the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment.

4. The competent authorities of a Party may request consultations at any time concerning the safety standards maintained by the other Party.

5. The competent authorities of a Party shall take all appropriate and immediate measures whenever they ascertain that an aircraft, a product or an operation may:

   (a) fail to satisfy the minimum standards established pursuant to the Convention or the legislation specified in Part C of Annex III to this Agreement, whichever is applicable,

   (b) give rise to serious concerns – established through an inspection referred to in paragraph 3 of this Article – that an aircraft or the operation of an aircraft does not comply with the minimum standards established pursuant to the Convention or the legislation specified in Part C of Annex III to this Agreement, whichever is applicable, or

   (c) give rise to serious concerns that there is a lack of effective maintenance and administration of minimum standards established pursuant to the Convention or the legislation specified in Part C of Annex III to this Agreement, whichever is applicable.
6. Where the competent authorities of one Party take action under paragraph 5, they shall promptly inform the competent authorities of the other Party of taking such action, providing reasons for their action.

7. Where measures taken in application of paragraph 5 of this Article are not discontinued even though the basis for taking them has ceased to exist, either Party may refer the matter to the Joint Committee.

ARTICLE 15

Aviation Security

1. Subject to the transitional provisions set out in Annex II to this Agreement, the Parties shall act in conformity with the provisions of the European Union's aviation security legislation specified in Part D of Annex III to this Agreement, under the conditions set out hereafter.

2. Georgia may be subjected to a European Commission inspection in accordance with the relevant European Union security legislation as referred to in Annex III to this Agreement. The Parties shall establish the necessary mechanism for the exchange of information on the results of such security inspections.

3. The assurance of safety for civil aircraft, their passengers and crew being a fundamental pre-condition for the operation of international air services, the Parties reaffirm their obligations to each other to provide for the security of civil aviation against acts of unlawful interference, and in particular their obligations under the Convention, the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988 and the Convention on the marking of plastic explosives for purpose of detection signed at Montreal on 1 March 1991, insofar as both Parties are parties to these conventions, as well as all other conventions and protocols relating to civil aviation security of which both Parties are parties.

4. The Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

6 Treaty Series No. 126 (1969) Cmnd 4230
7 Treaty Series No. 039 (1972) Cmnd 4956
8 Treaty Series No. 010 (1974) Cmnd 5524
9 Treaty Series No. 020 (1991) Cm 1470
10 Treaty Series No.134 (2000) Cm 5018
5. The Parties shall, in their mutual relations, act in conformity with the aviation security Standards and, so far as they are applied by them, the Recommended Practices established by the International Civil Aviation Organisation (ICAO) and designated as Annexes to the Convention, to the extent that such security provisions are applicable to the Parties. Both Parties shall require that operators of aircraft of their registry, operators who have their principal place of business or permanent residence in their territory, and the operators of airports in their territory, act in conformity with such aviation security provisions.

6. Each Party shall ensure that effective measures are taken within its territory to protect aircraft, to screen passengers and their carry-on items, and to carry out appropriate checks on crew, cargo (including hold baggage) and aircraft stores prior to and during boarding or loading and that those measures are adjusted to meet increases in the threat. Each Party agrees that their air carriers may be required to observe the aviation security provisions referred to in paragraph 5 of this Article required by the other Party, for entrance into, departure from, or while within, the territory of that other Party.

7. Each Party shall also give positive consideration to any request from the other Party for reasonable special security measures to meet a particular threat. Except where not reasonably possible in case of emergency, each Party will inform the other Party in advance of any special security measures it intends to introduce which could have a significant financial or operational impact on the air transport services provided under this Agreement. Either Party may request a meeting of the Joint Committee to discuss such security measures, as provided for in Article 22 (Joint Committee) of this Agreement.

8. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

9. Each Party shall take all measures it finds practicable to ensure that an aircraft subjected to an act of unlawful seizure or other acts of unlawful interference which is on the ground in its territory is detained on the ground unless its departure is necessitated by the overriding duty to protect human life. Wherever practicable, such measures shall be taken on the basis of mutual consultations.

10. When a Party has reasonable grounds to believe that the other Party has departed from the aviation security provisions of this Article, that Party shall request immediate consultations with the other Party.

11. Without prejudice to Article 5 (Refusal, Revocation, Suspension, Limitation of Authorisations) of this Agreement, failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds to withhold, revoke, limit or impose conditions on the operating authorisation of one or more air
carriers of such other Party.

12. When required by an immediate and extraordinary threat, a Party may take interim action prior to the expiry of fifteen (15) days.

13. Any action taken in accordance with the paragraph 11 of this Article shall be discontinued upon compliance by the other Party with the full provisions of this Article.

ARTICLE 16

Air Traffic Management

1. Subject to the transitional provisions set out in Annex II to this Agreement, the Parties shall act in conformity with the provisions of the legislation specified in Part B of Annex III to this Agreement, under the conditions set out hereafter.

2. The Parties shall cooperate in the field of air traffic management with a view to extending the Single European Sky to Georgia in order to enhance current safety standards and overall efficiency for general air traffic standards in Europe, to optimise capacities, to minimise delays and to increase environmental efficiency. To this purpose, Georgia shall be involved as observer in the Single Sky Committee from the date of entry into force of the Agreement. The Joint Committee shall be responsible for monitoring and facilitating cooperation in the field of air traffic management.

3. With a view to facilitating the application of the Single European Sky legislation in their territories:

(a) Georgia shall take the necessary measures to adjust its air traffic management institutional structures to the Single European Sky, in particular by ensuring that pertinent national supervisory bodies are at least functionally independent of air navigation service providers; and

(b) The European Union shall associate Georgia with relevant operational initiatives in the fields of air navigation services, airspace and interoperability that stem from the Single European Sky, in particular through the early involvement of Georgia's efforts to establish functional airspace blocks, or through appropriate coordination on SESAR.

ARTICLE 17

Environment

1. The Parties recognise the importance of protecting the environment when developing and implementing aviation policy. The Parties acknowledge that effective
global, regional, national and/or local action is needed to minimise civil aviation's impact on the environment.

2. Subject to the transitional provisions set out in Annex II to this Agreement, the Parties shall act in conformity with the legislation relating to air transport specified in Part E of Annex III to this Agreement.

3. The Parties recognise the importance of working together, and within the framework of multilateral discussions, to consider the effects of aviation on the environment, and to ensure that any mitigating measures are fully consistent with the objectives of this Agreement.

4. Nothing in this Agreement shall be construed to limit the authority of the competent authorities of a Party to take all appropriate measures to prevent or otherwise address the environmental impacts of air transport provided that such measures are fully consistent with their rights and obligations under international law and are applied without distinction as to nationality.

ARTICLE 18

Consumer Protection

Subject to the transitional provisions set out in Annex II to this Agreement, the Parties shall act in accordance with the legislation relating to air transport specified in Part G of Annex III to this Agreement.

ARTICLE 19

Computer Reservation Systems

Subject to the transitional provisions set out in Annex II to this Agreement, the Parties shall act in accordance with the legislation relating to air transport specified in Part H of Annex III to this Agreement.

ARTICLE 20

Social Aspects

Subject to the transitional provisions set out in Annex II to this Agreement, the Parties shall act in accordance with the legislation relating to air transport specified in Part F of Annex III to this Agreement.
TITLE III

INSTITUTIONAL PROVISIONS

ARTICLE 21

Interpretation and Enforcement

1. The Parties shall take all appropriate measures, whether general or specific, to ensure fulfilment of the obligations arising out of this Agreement and shall refrain from any measures which would jeopardise attainment of the objectives of this Agreement.

2. Each Party shall be responsible, in its own territory, for the proper enforcement of this Agreement and, in particular, the regulations and directives related to air transport listed in Annex III to this Agreement.

3. Each Party shall give the other Party all necessary information and assistance in the case of investigations on possible infringements of provisions of this Agreement which that other Party carries out under its respective competences as provided in this Agreement.

4. Whenever the Parties act under the powers granted to them by this Agreement on matters which are of substantial interest to the other Party and which concern the authorities or undertakings of the other Party, the competent authorities of the other Party shall be fully informed and given the opportunity to comment before a final decision is taken.

5. Insofar as the provisions of this Agreement and the provisions of the acts specified in Annex III to this Agreement are identical in substance to corresponding rules of the Treaty on European Union and the Treaty on the Functioning of the European Union and to acts adopted pursuant to the Treaty on European Union and the Treaty on the Functioning of the European Union, those provisions shall, in their implementation and application, be interpreted in conformity with the relevant rulings and decisions of the Court of Justice and the European Commission.

ARTICLE 22

The Joint Committee

1. A Joint Committee composed of representatives of the Parties (hereinafter referred to as the Joint Committee) is hereby established, which shall be responsible for the administration of this Agreement and shall ensure its proper implementation. For this purpose it shall make recommendations and take decisions where expressly provided by this Agreement.
2. The decisions of the Joint Committee shall be adopted by consensus and shall be binding upon the Parties. They will be put into effect by the Parties in accordance with their own rules.

3. The Joint Committee shall adopt, by a decision, its rules of procedure.

4. The Joint Committee shall meet as and when necessary. Either Party may request the convening of a meeting.

5. A Party may also request a meeting of the Joint Committee to seek to resolve any question relating to the interpretation or application of this Agreement. Such a meeting shall begin at the earliest possible date, but not later than two months from the date of receipt of the request, unless otherwise agreed by the Parties.

6. For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, at the request of either Party, shall hold consultations within the Joint Committee.

7. If, in the view of one of the Parties, a decision of the Joint Committee is not properly implemented by the other Party, the former may request that the issue be discussed by the Joint Committee. If the Joint Committee cannot solve the issue within two months of its referral, the requesting Party may take appropriate safeguard measures under Article 24 (Safeguard measures) of this Agreement.

8. Without prejudice to paragraph 2, if the Joint Committee does not take a decision on an issue which has been referred to it within six months of the date of referral, the Parties may take appropriate temporary safeguard measures under Article 24 (Safeguard Measures) of this Agreement.

9. In accordance with Article 6 (Investment) of this Agreement, the Joint Committee shall examine questions relating to bilateral investments of majority ownership, or changes in the effective control of air carriers of the Parties.

10. The Joint Committee shall also develop cooperation by:

   (a) fostering expert-level exchanges on new legislative or regulatory initiatives and developments, including in the fields of security, safety, the environment, aviation infrastructure (including slots), competitive environment and consumer protection;

   (b) reviewing market conditions affecting air services under this Agreement;

   (c) regularly examining the social effects of this Agreement as it is implemented, notably in the area of employment and developing appropriate responses to concerns found to be legitimate;

   (d) considering potential areas for the further development of this Agreement, including the recommendation of amendments to this Agreement;
(e) agreeing, on the basis of consensus, on proposals, approaches or documents of a procedural nature directly related to the functioning of this Agreement;

(f) considering and developing technical assistance in the areas covered by this Agreement; and

(g) fostering cooperation in relevant international fora.

ARTICLE 23

Dispute Resolution and Arbitration

1. If any dispute arises between the Parties relating to the interpretation or application of this Agreement they shall in the first place endeavour to settle it through formal consultations within the Joint Committee in accordance with paragraph 5 of Article 22 (Joint Committee) of this Agreement.

2. Either Party may refer any dispute relating to the application or interpretation of this Agreement, which it has not been possible to resolve in accordance with paragraph 1 of this Article, to an arbitration panel of three arbitrators in accordance with the procedure laid down hereafter:

   (a) each Party shall appoint an arbitrator within sixty (60) days from the date of reception of the notification for the request for arbitration by the arbitration panel addressed by the other Party through diplomatic channels; the third arbitrator should be appointed by the other two arbitrators within sixty (60) additional days. If one of the Parties has not appointed an arbitrator within the agreed period, or if the third arbitrator is not appointed within the agreed period, each Party may request the President of the Council of the ICAO to appoint an arbitrator or arbitrators, whichever is applicable;

   (b) the third arbitrator appointed under the terms of paragraph a) above should be a national of a third State and shall act as a President of the arbitration panel;

   (c) the arbitration panel shall agree its rules of procedure; and

   (d) subject to the final decision of the arbitration panel, the initial expenses of the arbitration shall be shared equally by the Parties.

3. At the request of a Party the arbitration panel may order the other Party to implement interim relief measures pending the panel's final determination.

4. Any provisional decision or final decision of the arbitration panel shall be
binding upon the Parties.

5. If one of the Parties does not act in conformity with a decision of the arbitration panel taken under the terms of this Article within thirty (30) days from the notification of the aforementioned decision, the other Party may, for as long as this failure endures, limit, suspend or revoke the rights or privileges which it had granted under the terms of this Agreement from the Party at fault.

ARTICLE 24

Safeguard Measures

1. The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement. They shall ensure that the objectives set out in this Agreement are attained.

2. If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate safeguard measures. Safeguard measures shall be restricted with regard to their scope and duration to what is strictly necessary in order to remedy the situation or maintain the balance of this Agreement. Priority shall be given to such measures as will least disturb the functioning of this Agreement.

3. A Party which is considering taking safeguard measures shall without delay notify the other Parties through the Joint Committee and shall provide all relevant information.

4. The Parties shall immediately enter into consultations in the Joint Committee with a view to finding a commonly acceptable solution.

5. Without prejudice to Articles 3(d) (Authorisation), Article 5(d) (Refusal, Revocation, Suspension, Limitation of Authorisation) and Articles 14 (Aviation Safety) and 15 (Aviation Security) of this Agreement, the Party concerned may not take safeguard measures until one month has elapsed after the date of notification under paragraph 3 of this Article, unless the consultation procedure under paragraph 4 of this Article has been concluded before the expiry of the stated time limit.

6. The Party concerned shall, without delay, notify the measures taken to the Joint Committee and shall provide all relevant information.

7. Any action taken under the terms of this Article shall be suspended, as soon as the Party at fault satisfies the provisions of this Agreement.
ARTICLE 25

Relationship to other Agreements

1. The provisions of this Agreement shall prevail over the relevant provisions of existing bilateral agreements between Georgia and the Member States. However, existing traffic rights which originate from these bilateral agreements and which are not covered under this Agreement can continue to be exercised, provided that there is no discrimination between the Member States and their nationals.

2. The Parties shall consult in the Joint Committee, upon request of either side, to recommend whether Georgia should join the ECAA Agreement.

3. If the Parties become parties to a multilateral agreement, or endorse a decision adopted by ICAO or another international organisation, that addresses matters covered by this Agreement, they shall consult in the Joint Committee to determine whether this Agreement should be revised to take into account such developments.

ARTICLE 26

Amendments

1. If one of the Parties wishes to amend the provisions of this Agreement, it shall notify the Joint Committee accordingly for its decision.

2. The Joint Committee may, upon the proposal of one Party and in accordance with this Article, decide to modify the Annexes to this Agreement.

3. The amendment to this Agreement shall enter into force after completion of the respective internal procedures of each Party.

4. This Agreement shall be without prejudice to the right of each Party, subject to compliance with the principle of non-discrimination and the provisions of this Agreement to unilaterally adopt new legislation or amend its existing legislation in the field of air transport or an associated area mentioned in Annex III to this Agreement.

5. When new legislation or an amendment to its existing legislation in the field of air transport or an associated area mentioned in Annex III to this Agreement is being considered by either Parties, it shall inform the other Party as appropriate and possible. At the request of either Party, an exchange of views may take place in the Joint Committee.

6. Each Party shall regularly and as soon as appropriate inform the other Party of newly adopted legislation or amendment to its existing legislation in the field of air transport or an associated area mentioned in Annex III to this Agreement. Upon the request of any Party, the Joint Committee shall within sixty (60) days thereafter hold
an exchange of views on the implications of such new legislation or amendment for the proper functioning of this Agreement.

7. Following the exchange of views referred to in paragraph 6 of this Article, the Joint Committee shall:

   (a) adopt a decision revising Annex III to this Agreement so as to integrate therein, if necessary on a basis of reciprocity, the new legislation or amendment in question;

   (b) adopt a decision to the effect that the new legislation or amendment in question shall be regarded as in accordance with this Agreement; or

   (c) recommend any other measures, to be adopted within a reasonable period of time, to safeguard the proper functioning of this Agreement.

ARTICLE 27

Termination

Either Party may, at any time, give notice in writing through diplomatic channels to the other Party of its decision to terminate this Agreement. Such notice shall be sent simultaneously to ICAO and to the UN Secretariat. This Agreement shall terminate at midnight GMT at the end of the IATA traffic season in effect one year following the date of written notification of termination, unless the notice is withdrawn by mutual agreement of the Parties before the expiry of this period.

ARTICLE 28

Registration with the International Civil Aviation Organisation and the United Nations Secretariat

This Agreement and all amendments thereto shall be registered with the ICAO and with the UN Secretariat.

ARTICLE 29

Provisional Application and Entry into Force

1. This Agreement shall enter into force one month after the date of the last note in an exchange of diplomatic notes between the Parties confirming that all necessary procedures for entry into force of this Agreement have been completed. For purposes of this exchange, Georgia shall deliver to the General Secretariat of the Council of the European Union its diplomatic note to the European Union and its Member States, and the General Secretariat of the Council of the European Union shall deliver to
Georgia the diplomatic note from the European Union and its Member States. The diplomatic note from the European Union and its Member States shall contain communications from each Member State confirming that its necessary procedures for entry into force of this Agreement have been completed.

2. Notwithstanding paragraph 1 of this Article, the Parties agree to provisionally apply this Agreement, in accordance with their internal procedures and/or domestic legislation as applicable, from the first day of the month following the date of the latest note of which the Parties have notified the other Party of the completion of the necessary procedures for application.

IN WITNESS WHEREOF the undersigned, being duly authorised, have signed this Agreement.

Done at Brussels on the second day of December 2010, in duplicate, in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovene, Spanish, Swedish and Georgian languages, each text being equally authentic.

[Here follows the signatures]
ANNEX I

AGREED SERVICES AND SPECIFIED ROUTES

1. This Annex is subject to the transitional provisions contained in Annex II to this Agreement.

2. Each Party grants to the air carriers of the other Party the rights to provide air transport services on the routes specified hereunder:

   (a) for air carriers of the European Union: Any point in the European Union – intermediate points in Euromed countries, ECAA, or countries listed in Annex IV – Any point in Georgia - points beyond.

   (b) for air carriers of Georgia: Any point in Georgia –intermediate points in Euromed countries, ECAA or countries listed in Annex IV – Any point in the European Union.

3. The services operated according to paragraph 2 of this Annex shall originate or terminate in the territory of Georgia, for Georgian air carriers, and in the territory of the European Union for air carriers of the European Union.

4. Air carriers of both Parties may on any or all flights and at their option:

   (a) operate flights in either or both directions;

   (b) combine different flight numbers within one aircraft operation;

   (c) serve intermediate and beyond points, as specified in paragraph 2 of this Annex, and points in the territories of the Parties in any combination and in any order;

   (d) omit stops at any point or points;

   (e) transfer traffic from any of its aircraft to any of its other aircraft at any point;

   (f) make stopovers at any points whether within or outside the territory of either Party;

   (g) carry transit traffic through the other Party's territory; and

   (h) combine traffic on the same aircraft regardless of where such traffic originates.

5. Each Party shall allow each air carrier to determine the frequency and capacity of the international air transport it offers based upon commercial considerations in the marketplace. Consistent with this right, neither Party shall unilaterally limit the
volume of traffic, frequency or regularity of service, or the aircraft type or types operated by the air carriers of the other Party, except for customs, technical, operational, environmental, protection of health reasons or in application of Article 8 (Competitive environment) of this Agreement.

6. The air carriers of each Party may serve, including within the framework of code share arrangements, any point located in a third country that is not included on the specified routes, provided that they do not exercise 5th freedom rights.
1. The implementation and application by Georgia of all the provisions of the legislation of the European Union relating to air transport indicated in Annex III to this Agreement, with the exception of the security legislation under Part D of Annex III to this Agreement, shall be the subject of an evaluation under the responsibility of the European Union which shall be validated by a decision of the Joint Committee. Such an evaluation shall be conducted two years after the entry into force of the Agreement at the latest.

2. Notwithstanding the provisions of Annex I to this Agreement, the agreed services and specified routes of this Agreement, shall not include, until the moment of the adoption of the decision referred to in paragraph 1 of this Annex II to this Agreement, the right to exercise 5th freedom rights, including for the air carriers of Georgia between points within the territory of the European Union.

However, all traffic rights already granted by one of the bilateral agreements between Georgia and the Member States of the European Union, can continue to be exercised insofar as there is no discrimination between air carriers of the European Union on the basis of nationality.

3. The implementation of the aviation security legislation by Georgia shall be subject of an evaluation under the responsibility of the European Union which shall be validated by a decision of the Joint Committee. Such an evaluation shall be conducted at the latest three years after the entry into force of this Agreement. In the meantime, Georgia shall implement ECAC Doc 30.

4. At the end of the transitional period, the confidential part of the security legislation as provided in Part D of Annex III to this Agreement shall be made available to the appropriate authority of Georgia, subject to an agreement on the exchange of security sensitive information including EU classified information.

5. The gradual transition of Georgia to the full application of the legislation of the European Union relating to air transport indicated in Annex III to this Agreement may be subject to regular assessments. The assessments shall be carried out by the European Commission in cooperation with Georgia.

6. As of the date of decision referred to in paragraph 1 of this Annex, Georgia will apply operating licensing rules substantially equivalent to those contained in Chapter II of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community. The provisions of Article 4 of this Agreement with regard to the reciprocal recognition of fitness and/or citizenship determinations made by the competent authorities of Georgia shall be applied by the competent authorities of the European Union upon the confirmation by the Joint Committee of the full application by Georgia of such operating licensing rules.
7. Without prejudice to a decision within the Joint Committee or within Article 24 (Safeguard measures), airworthiness of aircraft registered at the date of signature in the Georgian register and used by operators under the regulatory control of Georgia, which do not have a type certificate issued by EASA in accordance with the relevant EU legislation in Part C of Annex III to this Agreement, can be managed under the responsibility of the Georgian competent authorities in accordance with the applicable national requirements of Georgia until:

(a) 1 January 2015 for certain aircraft engaged in cargo-only operations;

(b) 31 December 2019 for certain helicopters and light and ultra-light aircraft engaged in operations such as search and rescue, aerial work, training, emergency, agricultural and humanitarian flights in accordance with the operational certificates of the respective carriers, provided the aircraft complies with international aviation safety standards established pursuant to the Convention. Such aircraft shall not benefit from any additional rights granted under this Agreement after the decision referred to in paragraph 1 of this Annex has been adopted.
ANNEX III

(Subject to regular update)

RULES APPLICABLE TO CIVIL AVIATION

The "Applicable provisions" of the following acts shall be applicable in accordance with this Agreement unless otherwise specified in this Annex or in Annex II to this Agreement (Transitional Provisions). Where necessary, specific adaptations for each individual act are set out hereafter:

A. Market access and ancillary issues

No 95/93


as amended by:


Applicable provisions: Articles 1 to 12, and 14 a (2)

As regards the application of Article 12(2), the term "the Commission" shall read "the Joint Committee".

No 96/67


Applicable provisions: Articles 1 to 25 and Annex

As regards the application of Article 10, the term "Member States" shall read "Member States of the European Union".

As regards the application of Article 20(2), the term "the Commission" shall read "the Joint Committee".
No 785/2004


Applicable provisions: Articles 1 to 8, and 10(2)

No 2009/12


Applicable provisions: Articles 1 to 12

B. Air Traffic Management

No 549/2004

Regulation (EC) No 549/2004 of the European Parliament and of the Council of 10 March 2004 laying down the framework for the creation of the single European sky (the framework Regulation)

Applicable provisions: Articles 1 to 4, 6, and 9 to 14

No 550/2004

Regulation (EC) No 550/2004 of the European Parliament and of the Council of 10 March 2004 on the provision of air navigation services in the single European sky (the service provision Regulation)

Applicable provisions: Articles 1 to 19, Annexes I and II

No 551/2004


Applicable provisions: Articles 1 to 11

No 552/2004


Applicable provisions: Articles 1 to 12, Annexes I to V
Commission Regulation (EC) No 2096/2005 of 20 December 2005 laying down common requirements for the provision of air navigation services
as amended by:


Commission Regulation (EC) No 482/2008 of 30 May 2008 establishing a software safety assurance system to be implemented by air navigation service providers and amending Annex II to Regulation (EC) No 2096/2005

Commission Regulation (EC) No 668/2008 of 15 July 2008 amending Annexes II to V of Regulation (EC) No 2096/2005 laying down common requirements for the provision of air navigation services, as regards working methods and operating procedures

Applicable provisions: Articles 1 to 9, Annexes I to V


Applicable provisions: Articles 1 to 9, Annexes I to V


Applicable provisions: Articles 1 to 16, 18, 19, 20 and Annexes I to IV

Commission regulation (EC) No 730/2006 of 11 May 2006 on airspace classification and access of flights operated under visual flight rules above flight level 195

Commission regulation (EC) No 1794/2006 of 6 December 2006 laying down a common charging scheme for air navigation services

Commission regulation (EC) No 1033/2006 of 4 July 2006 laying down the requirements on procedures for flight plans in the pre-flight phase for the single
European sky

No 1032/2006

Commission regulation (EC) No 1032/2006 of 6 July 2006 laying down requirements for automatic systems for the exchange of flight data for the purpose of notification, coordination and transfer of flights between air traffic control units

No 219/2007

Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR)

Applicable provisions: Article 1(1)-(2) and (5)-(7), Articles 2 to 3, Article 4(1), Annex

No 633/2007

Commission Regulation (EC) No 633/2007 of 7 June 2007 laying down requirements for the application of a flight message transfer protocol used for the purpose of notification, coordination and transfer of flights between air traffic control units

Applicable provisions: Articles 1 to 7, the second and third sentences of Article 8, Annexes I to IV

No 1265/2007

Commission Regulation (EC) No 1265/2007 of 26 October 2007 laying down requirements on air-ground voice channel spacing for the single European sky

Applicable provisions: Articles 1 to 9, Annexes I to IV

No 1315/2007


Applicable provisions: Articles 1 to 15

No 482/2008

Commission Regulation (EC) No 482/2008 of 30 May 2008 establishing a software safety assurance system to be implemented by air navigation service providers and amending Annex II to Regulation (EC) No 2096/2005
Applicable provisions: Articles 1 to 5, Annexes I to II

No 668/2008


Applicable provisions: Articles 1 to 2

No 1361/2008


Applicable provisions: Articles 1 to 5 (with the exception of Article 1.6), Annex (with the exception of points 11 and 12).

No 29/2009


Applicable provisions: Articles 1 to 15, Annexes I-VII

No 30/2009


Applicable provisions: Articles 1 to 2, Annex

No 262/2009


Applicable provisions: Articles 1 to 13, Annexes I-III

No 1070/2009


Applicable provisions: Articles 1 to 5, with the exception of Article 1.4

C. Aviation Safety

No 3922/91

Council Regulation (EEC) No 3922/91 of 16 December 1991 on the harmonisation of technical requirements and administrative procedures in the field of civil aviation

as amended by:


Regulation (EC) No 1899/2006 of 12 December 2006 on the harmonisation of technical requirements and administrative procedures in the field of civil aviation


transportation by aeroplane

Applicable provisions: Articles 1 to 10, 12 to 13 with the exception of Article 4(1) and Article 8(2) (second sentence), Annexes I to III

As regards the application of Article 12, "Member States" shall read "Member States of the European Union".

No 216/2008


Applicable provisions: Articles 1 to 68 with the exception of Article 65, the second subparagraph of Article 69(1), Article 69(4), Annexes I to VI

as amended by:


Applicable provisions: Articles 1 to 3 (with the exception of Article 1.7 establishing new Articles 8a.5, 8b.6 and 8c.10), Annex

No 94/56


Applicable provisions: Articles 1 to 12

No 2003/42


Applicable provisions: Articles 1 to 11, Annexes I and II

Applicable provisions: Articles 1 to 4


Applicable provisions: Articles 1 to 10, Annexes I to II

Commission Regulation (EC) No 1702/2003 of 24 September 2003 laying down implementing rules for the airworthiness and environmental certification of aircraft and related products, parts and appliances, as well as for the certification of design and production organisations

as amended by:


Commission Regulation (EC) No 706/2006 of 8 May 2006 amending Regulation (EC) No 1702/2003 as regards the period during which Member States may issue approvals of a limited duration


Applicable provisions: Articles 1 to 4, Annex. The transitional periods referred to in this Regulation shall be determined by the Joint Committee.


as amended by:


Applicable provisions: Articles 1 to 6, Annexes I to IV

No 104/2004


Applicable provisions: Articles 1 to 7 and Annex

No 593/2007


as amended by:


Applicable provisions: Articles 1 to 12, Article 14(2), Annex

No 736/2006


Applicable provisions: Articles 1 to 18

No 768/2006


Applicable provisions: Articles 1 to 5

No 2111/2005

Regulation (EC) No 2111/2005 of the European Parliament and the Council of 14 December 2005 on the establishment of a Community list of air carriers subject to an operating ban within the Community and on informing air transport passengers of the identity of the operating air carrier, and repealing Article 9 of Directive 2004/36/CE
Applicable provisions: Articles 1-13, Annex


Applicable provisions: Articles 1 to 6 and Annexes A to C


Applicable provisions: Articles 1 to 3 and Annexes A and B

D. Aviation Security

No 300/2008


Applicable provisions: Articles 1 to 18, Article 21, Annex

No 18/2010


No 272/2009


No 1254/2009

Commission Regulation (EU) No 1254/2009 of 18 December 2009 setting criteria to allow Member States to derogate from the common basic standards on civil aviation security and to adopt alternative security measures

Commission Regulation (EU) No … of … laying down detailed measures for the implementation of the common basic standards on aviation security [under EU adoption]
Commission Decision (EU) No … of … laying down detailed measures for the implementation of the common basic standards on aviation security containing information as referred to in Point (a) of Article 18 of Regulation (EC) No 300/2008 [under EU adoption]

E. Environment

No 2006/93


Applicable provisions: Articles 1 to 6 and Annexes I and II

No 2002/30


As amended or adapted by the 2003 Act of Accession and the 2005 Act of Accession

Applicable provisions: Articles 1 to 15, Annexes I and II

No 2002/49


Applicable provisions: Articles 1 to 16, Annexes I to VI

F. Social Aspects

No 2000/79

Council Directive 2000/79/EC of 27 November 2000 concerning the European Agreement on the Organisation of Working Time of Mobile Workers in Civil Aviation concluded by the Association of European Airlines (AEA), the European Transport Workers' Federation (ETF), the European Cockpit Association (ECA), the European Regions Airline Association (ERA) and the International Air Carrier Association (IACA)

Applicable provisions: Articles 2 to 3, Annex
No 2003/88


Applicable provisions: Article 1 to 19, 21 to 24 and 26 to 29

G. Consumer protection

No 90/314


Applicable provisions: Articles 1 to 10

No 95/46

Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data

Applicable provisions: Articles 1 to 34

No 2027/97

Council Regulation (EC) No 2027/97 of 9 October 1997 on air carrier liability in the event of accidents as amended by:


Applicable provisions: Articles 1 to 8

No 261/2004


Applicable provisions: Articles 1 to 17

No 1107/2006

Applicable provisions: Articles 1 to 17, Annexes I and II

H. Other legislation

No 80/2009


Applicable provisions: Articles 1 to 18 and Annexes I and II
ANNEX IV

List of other States referred to in Articles 3 and 4, and Annex I

1. The Republic of Iceland (under the Agreement on the European Economic Area);

2. The Principality of Liechtenstein (under the Agreement on the European Economic Area);

3. The Kingdom of Norway (under the Agreement on the European Economic Area);

4. The Swiss Confederation (under the Agreement between the European Community and the Swiss Confederation).