

## AIR TRANSPORT SERVICES

*Exchange of notes at Reykjavik January 27, 1945, with text of agreement*

*Entered into force January 27, 1945; operative February 1, 1945*

59 Stat. 1464; Executive Agreement Series 463

*The American Minister to the Minister of Foreign Affairs*

LEGATION OF THE  
UNITED STATES OF AMERICA

REYKJAVIK, *January 27, 1945*

No. 154

EXCELLENCY:

I have the honor to refer to our negotiations for the conclusion of a reciprocal air transport agreement between the United States of America and Iceland.

It is my understanding that these negotiations, now terminated, have resulted in the following agreement:

### AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ICELAND RELATING TO AIR TRANSPORT SERVICES

Having in mind the resolution signed under date of December 7, 1944, at the International Civil Aviation Conference in Chicago, Illinois, for the adoption of a standard form of agreement for provisional air routes and services, and the desirability of mutually stimulating and promoting the sound economic development of air transportation between the United States and Iceland, the two Governments parties to this arrangement agree that the establishment and development of air transport services between their respective territories shall be governed by the following provisions:

#### ARTICLE 1

The contracting parties grant the rights specified in the Annex hereto necessary for establishing the international civil air routes and services therein described, whether such services be inaugurated immediately or at a later date at the option of the contracting party to whom the rights are granted.

#### ARTICLE 2

(a) Each of the air services so described shall be placed in operation as soon as the contracting party to whom the rights have been granted by

Article 1 to designate an airline or airlines for the route concerned has authorized an airline for such route, and the contracting party granting the rights shall, subject to Article 6 hereof, be bound to give the appropriate operating permission to the airline or airlines concerned; provided that the airlines so designated may be required to qualify before the competent aeronautical authorities of the contracting party granting the rights under the laws and regulations normally applied by these authorities before being permitted to engage in the operations contemplated by this agreement; and provided that in areas of hostilities or of military occupation, or in areas affected thereby, such inauguration shall be subject to the approval of the competent military authorities.

(b) It is understood that either contracting party granted commercial rights under this agreement should exercise them at the earliest practicable date except in the case of temporary inability to do so.

### ARTICLE 3

In order to prevent discriminatory practices and to assure equality of treatment, both contracting parties agree that:

(a) Each of the contracting parties may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control. Each of the contracting parties agrees, however, that these charges shall not be higher than would be paid for the use of such airports and facilities by its national aircraft engaged in similar international services.

(b) Fuel, lubricating oils and spare parts introduced into the territory of one contracting party by the other contracting party or its nationals, and intended solely for use by aircraft of such other contracting party shall be accorded national and most-favored-nation treatment with respect to the imposition of customs duties, inspection fees or other national duties or charges by the contracting party whose territory is entered.

(c) The fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board civil aircraft of the airlines of one contracting party authorized to operate the routes and services described in the Annex shall, upon arriving in or leaving the territory of the other contracting party, be exempt from customs, inspection fees or similar duties or charges, even though such supplies be used or consumed by such aircraft on flights in that territory.

### ARTICLE 4

Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one contracting party shall be recognized as valid by the other contracting party for the purpose of operating the routes and services described in the Annex. Each contracting party reserves the right, however,

to refuse to recognize, for the purpose of flight above its own territory, certificates of competency and licenses granted to its own nationals by another State.

#### ARTICLE 5

(a) The laws and regulations of one contracting party relating to the admission to or departure from its territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the other contracting party, and shall be complied with by such aircraft upon entering or departing from or while within the territory of the first party.

(b) The laws and regulations of one contracting party as to the admission to or departure from its territory of passengers, crew, or cargo of aircraft, such as regulations relating to entry, clearance, immigration, passports, customs, and quarantine shall be complied with by or on behalf of such passengers, crew or cargo of the other contracting party upon entrance into or departure from, or while within the territory of the first party.

#### ARTICLE 6

Each contracting party reserves the right to withhold or revoke a certificate or permit to an airline of the other party in any case where it is not satisfied that substantial ownership and effective control are vested in nationals of either party to this agreement, or in case of failure of an airline to comply with the laws of the State over which it operates as described in Article 5 hereof, or to perform its obligations under this agreement.

#### ARTICLE 7

This agreement and all contracts connected therewith shall be registered with the Provisional International Civil Aviation Organization.

#### ARTICLE 8

Either contracting party may terminate the rights for services granted by it under this agreement by giving one year's notice to the other contracting party.

#### ARTICLE 9

In the event either of the contracting parties considers it desirable to modify the routes or conditions set forth in the attached Annex, it may request consultation between the competent authorities of both contracting parties, such consultation to begin within a period of sixty days from the date of the request. When these authorities mutually agree on new or revised conditions affecting the Annex, their recommendations on the matter will come into effect after they have been confirmed by an exchange of diplomatic notes.

ANNEX TO AIR TRANSPORT AGREEMENT BETWEEN THE UNITED STATES  
OF AMERICA AND ICELAND

A. Airlines of the United States authorized under the present agreement are accorded rights of transit and non-traffic stop in the territory of Iceland, as well as the right to pick up and discharge international traffic in passengers, cargo and mail at Keflavik or other suitable airport, on the following route:

The United States to Iceland and points beyond, via intermediate points; in both directions.

B. Airlines of Iceland authorized under the present agreement are accorded rights of transit and non-traffic stop in the territory of the United States, as well as the right to pick up and discharge international traffic in passengers, cargo and mail at New York or Chicago, on the following route:

Iceland to New York or Chicago, via intermediate points; in both directions.

You will, of course, understand that this agreement may be affected by subsequent legislation enacted by the Congress of the United States.

I shall be glad to have you inform me whether it is the understanding of your Government that the terms of the agreement resulting from the negotiations are as above set forth. If so, it is suggested that February 1, 1945 become the effective date. If your government concurs in this suggestion the Government of the United States will regard it as becoming effective at such time.

Accept, Excellency, the renewed assurances of my highest consideration.

LOUIS G. DREYFUS Jr.

His Excellency

OLAFUR THORS,

*Minister for Foreign Affairs,  
Reykjavik, Iceland.*

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*The Minister of Foreign Affairs to the American Minister*

REYKJAVÍK, *January 27, 1945*

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's note dated to-day in which you communicated to me the terms of a reciprocal air transport agreement between Iceland and the United States of America, as agreed upon during our negotiations, now terminated.

The terms of this agreement, which you have communicated to me are as follows:

[For text of agreement, see U.S. note, above.]

In reply, I have the honour to inform Your Excellency, that the terms of the agreement as stated above are acceptable to the Government of Iceland.

It is understood that this agreement may be affected by subsequent legislation enacted by the Congress of the United States.

Furthermore, I wish to inform you that it is agreeable that February 1, 1945 become the effective date of the agreement and that the Government of Iceland will regard it as becoming effective at that date.

I have the honour to renew to Your Excellency the assurances of my highest consideration.

OLAFUR THORS

His Excellency

LOUIS G. DREYFUS,

*Minister of the United States of America,  
Reykjavik.*