

[ANNEX] ON AIR TRANSPORT SERVICES

as at 3 2-November 2016

For the purposes of this draft, we refer to Annex. As architecture of the TiSA text takes shape, it is possible that it could be a Chapter or Section.

1. ~~[AU/CH/CL/EU/JP/NZ/NO/IS/MU propose; AU/CA/CL/CO/JP/MU/MX/NZ/PE/TR/US oppose: This Annex applies to measures affecting trade in [JP/MU propose: air services or related services in support of air services] [JP/MU oppose: air transport services, whether scheduled or non-scheduled, and ancillary services].~~
2. ~~[JP oppose: The agreement [CH/NO oppose, MU propose: including its dispute settlement procedures,] shall not apply to measures affecting:~~
 - a) traffic rights, however granted; or
 - b) services directly related to the exercise of traffic rights,except as provided in paragraph 3 of this Annex.
3. The Agreement shall apply to measures affecting:]]

CE/EU/NO considering Alt 1 depending on the content of the closed list.

[AU/CA/CL/CO/CR/HK/JP/MX/PE/MU/NZ/TR/TW/US propose; Alt 1. This Agreement [JP/MU propose: shall] [does] not apply to air services or related services in support of air services, or other than:]

- (a) aircraft repair and maintenance services;
- (b) the selling and marketing of air transport services;
- (c) computer reservation system (CRS) services;
- (d) **[AU/CA/CH/CL/CO/CR/EU/IS/HK/JP/KR/LI/MU/MX/NO/NZ/PE/PK/TR/TW/US propose; CR/IL/PA considering: ground handling services;**
- (e) **[AU/CA/CH/CL/CO/CR/EU/IS/HK/JP/LI/MU/MX/NO/NZ/PA/PE/PK/TR/TW/US propose; CR/IL considering; KR oppose: airport operation services;][and]**

- (f) **[AU/CL/CO/CR/KR/NZ/MU/MX/PE/TR/US propose; CH/EU/HK/IL/IS/JP/LI/NO/TR/TW oppose, CA/PA/PK considering: speciality air services ~~[AU/CL/NZ considering: , however classified⁴].~~**]

[CA/CR/JP/MU/MX/TR/PE propose: 2. In the event of any inconsistency between this Agreement and a bilateral **[PE propose: plurilateral]** or multilateral air services agreement to which two or more Parties are party, the air services agreement shall prevail in determining the rights and obligations of those Parties that are party to that air services agreement.]

[CAMX/PE propose: If two or more Parties have the same obligations under this Agreement and bilateral, plurilateral or multilateral air services agreement, those Parties may invoke the dispute settlement procedures of this Agreement only after any dispute settlement procedures in the other agreement have been exhausted.]

4. **[CH/NZ/PK propose; AU/CA/CO/CR/EU/IL/IS/JP/MU/MX/NO/PA/PE/TR/TW/US oppose; HK/KR considering:** The Parties recognise the importance of air transport services in facilitating the expansion of trade, enhancing economic growth and benefiting consumers.] **[CH/NZ/PK propose; AU/CA/CO/CR/EU/HK/IL/IS/JP/MX/NO/PA/PE/TR/TW/MU/US oppose; KR considering:** Therefore, the Parties should work, in appropriate fora, such as the ICAO, towards a liberal multilateral air services agreement.]

5. *Parties will come back to dispute settlement, when dispute settlement provisions are agreed.*

6. Definitions:

(a) "Aircraft repair and maintenance services" mean such activities when undertaken on an aircraft or part thereof while it is withdrawn from service and do not include so-called line maintenance.

(b) "Selling and marketing of air transport services" mean opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising and distribution. These activities do not include the pricing of air transport services nor the applicable conditions.

⁴ Some TISA participants do not distinguish services depending on the transport means through which they are provided (air, water, land). These participants adopt a "technology neutral" approach and schedule the services included in this category under the relating main service category (e.g. aerial photographic services will be covered under photographic services). The scheduling approach followed ~~[NZ oppose: should][NZ propose: shall]~~ be indicated in the headnotes to the schedules.

- (c) "Computer reservation system (CRS) services" means services provided by computerised systems that contain information about air carriers' schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued.
- (d) "Ground handling services" mean the supply at an airport, on a fee or contract basis, of the following: airline representation, administration and supervision; passenger handling; baggage handling; ~~[CR oppose: ramp services];~~ catering (except the preparation of the food); air cargo and mail handling; ~~[CR oppose: fueling of an aircraft];~~ aircraft servicing and cleaning; surface transport; and ~~[HK considering: flight operations, crew administration and flight planning].~~ Ground handling services do not include self-handling; security; line maintenance; aircraft repair and maintenance; or management or operation of essential centralised airport infrastructure such as de-icing facilities, fuel distribution systems, baggage handling systems, and, and fixed intra-airport transport systems.
- (e) "Airport operation services" mean the supply of air terminal, airfield and other airport infrastructure operation services on a fee or contract basis. Airport operation services do not include air navigation services.
- (f) ~~[AU/CA/CL/CO/CR/KR/NZ/MU/MX/PA/PE/TR/US~~ **propose;** ~~CH/EU/HK/IL/IS/JP/LI/NO/PK/TW~~ **oppose,** "Speciality air services mean any specialized commercial operation using an aircraft whose primary purpose is not the transportation of goods or passengers ~~[AU/CL/NE~~ **propose:** ²~~[AU/CL/NZ~~ **oppose;** such as aerial fire-fighting, flight training, sightseeing, spraying, surveying, mapping, photography, parachute jumping, glider towing, and helicopter-lift for logging and construction, and other airborne agricultural, industrial and inspection services.]
- (g) ~~[CA/CO/MU/PE/US~~ **oppose:** "Traffic rights" mean the right for scheduled and non-scheduled service to operate and/or to carry passengers, cargo and mail for remuneration or hire from, to, within, or over the territory of a Party, including points to be served, routes to be operated, types of traffic to be carried, capacity to be provided, tariffs to be charged and their conditions, and criteria for designation of airlines, including such criteria as number, ownership, and control.]

² Such services include: aerial fire fighting, flight training, sightseeing, spraying, surveying, mapping, photography, parachute jumping, glider towing, and helicopter lift for logging and construction, and other airborne agricultural, industrial, and inspection services.