COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL DECISION

on the signature of an Agreement between the European Community and Canada on civil aviation safety

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement between the European Community and Canada on civil aviation safety

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. INTRODUCTION

1. The Commission requested on 25 February 2004 the authorisation from the Council to conduct negotiations with Canada on the reciprocal acceptance of certification findings in the field of civil aviation safety and environmental compatibility.

2. The Council granted that authorisation on 21 April 2004 and instructed the Commission to carry out these negotiations in accordance with a set of negotiating directives and appointed a special committee to assist it in this task.

3. The authorisation granted to the Commission envisaged an agreement on the reciprocal acceptance of findings focusing mainly on two aspects:

   (a) products designed, manufactured, modified, or repaired under the regulatory control of one party to be easily issued the necessary approvals to be registered or operated under the regulatory control of the other party;

   (b) aircraft registered or operated under the regulatory control of one party to be maintained by organisations under the regulatory control of the other party.

4. The primary objectives of the negotiating directives were to facilitate trade in goods and services covered by the agreement, to limit as much as possible the duplication of assessments, tests and controls to significant regulatory differences and to rely on the certification system of either party to check conformity with the requirements of the other party.

5. In order to achieve these objectives the negotiating directives identified the following means:

   – to approximate progressively the requirements and regulatory processes of both parties;

   – to maintain confidence in the certification systems of both parties building on experience gained from the cooperation between Canada and the Joint Aviation Authorities (JAA) so as to permit all Member States' competent authorities to execute on behalf of the Canadian competent authority, Transport Canada (TCCA), the tasks they have to execute for the implementation of the Regulation (EC) N° 216/2008 which has replaced the common rules on aviation safety whereby the European Aviation Safety Agency was created – regulation No 1592/2002;

   – to allow any party to be satisfied that bodies involved in the regulatory process of the other party, are able to conduct in a satisfactory way conformity assessments and regulatory oversight as necessary to issue its own approvals;

   – to enhance cooperation by providing for regular consultations between the parties to ensure that the agreement operates satisfactorily in particular by introducing the appropriate co-operation mechanisms to verify on a reciprocal basis the continued

fitness and ability of the regulatory bodies involved in the implementation of the agreement;

– to set up a system of continual monitoring of the functioning of the agreement and in particular of its annexes, which are integral part thereof, and to allow for the agreement to be efficiently managed by a joint committee composed of representatives of both parties, entrusted to find and propose solutions timely to any problem raising from the implementation of the agreement.

2. THE PROCESS OF NEGOTIATIONS

6. Negotiations with Canada have focused on how to enable the mutual acceptance of approvals certifying the airworthiness of aircraft, components and appliances fitted thereon as well as approvals to certify organisations involved in their design, production and maintenance. These approvals would be issued by either party in application of certain procedures on airworthiness and maintenance. During the negotiations the two sides decided to set out the details of these procedures in separate Annexes to the Agreement.

7. The text of the agreement and its annexes were initialled by the Commission and Transport Canada in Brussels on 25 April 2007. As the Canadian side was at that moment in the process of re-organising its internal audit procedures and oversight control system, the Commission and EASA requested that the Canadian side demonstrates to the Community through confidence building dialogue the effectiveness of the new process in particular in the area of maintenance and oversight of maintenance organisations before the two sides proceed to finalising their internal procedures towards signature of the agreement.

8. Within the frame of confidence building several meetings took place between EASA and TCCA for the preparation of the guidance material in the area of maintenance and the related technical evaluation activities between the two technical agents. The Community and Canada had already gained experience and built confidence in the Canadian system through a smooth and effective cooperation in the framework of the JAA based on a working arrangement. Hence, there was a need to understand and evaluate to what extent the changes envisaged by transport Canada would have an impact on its actual safety management system and the application of the agreement and more precisely in the maintenance of confidence between the two sides.

9. The changes in the internal audit procedures and oversight control system of Transport Canada would be put in place in two stages:

– The first phase consisted of an analysis of the safety situation of undertakings under the regulatory control of Transport Canada based on risk assessment and of the capacity needs of the authority to ensure correct implementation and enforcement of its regulatory requirements without affecting the established oversight procedures.

– The second phase would be used to introduce changes where appropriate based on the experience and the results of risk assessment carried out during the first phase.

10. Given that the envisaged changes could have potentially an impact on maintenance and the exercise of oversight by the Canadian authorities on maintenance organisations located in Canada, several presentations of the new approach of TCCA towards the oversight of undertakings (based on risk evaluation and safety management systems) were made to EASA, in Cologne on 23 and 24 April 2007 and in Prague on 6 June 2007. These presentations showed that the changes during the first phase were leading to net positive results as they allowed the authority to better prioritise the allocation of its resources having assessed the risks of the undertakings under its regulatory control and hence to intervene in a targeted manner. These presentations were followed by a visit (17 to 22 September 2007) to Ottawa of an EASA Standardisation Team. During this visit, besides various clarifications on the exercise of oversight given by TCCA, EASA conducted an inspection (MIST, maintenance international standardisation) to illustrate the new TCCA approach. To the extent that the periodicity of continued airworthiness and maintenance inspections remained unchanged during the first phase the visit confirmed the positive results of the changes in the Canadian system.

11. The first phase is still ongoing. During various meetings between EASA and Transport Canada, the Agency was able to indicate its global satisfaction that the system implemented by TCCA Canada provided an equivalent level of safety to the Community one. In order to be able to anticipate and better manage any modulation of the inspections to maintenance organisations, which may be introduced during the second phase, EASA and TCCA will be using the joint sectorial committee on maintenance established by the agreement to ensure that confidence in each others' oversight system is maintained at all times.

3. THE LEGAL BASIS OF THE AGREEMENT

12. According to the case law of the Court of Justice, the removal of technical barriers to trade in goods falls within the scope of the common commercial policy as defined in Article 133(1) EC and thus under the exclusive competence of the Community[1].

13. Moreover, with the entry into force in September 2002 of Regulation (EC) N° 1592/2002 on common rules in the field of civil aviation and the establishment of a European Aviation Safety Agency (EASA) as replaced by Regulation (EC) N° 216/2008[2] the Community has achieved internal harmonisation in the fields covered by that regulation, i.e.: initial and continued airworthiness (including maintenance) and environmental compatibility of aeronautical products. This Regulation has been supplemented by a set of Implementing measures (Commission Regulation N° 1702/2003 and N° 2042/2003) setting out the requirements and the procedures to be followed by applicants, certificate holders and authorities to ensure that the essential requirements and objectives of the Basic Regulation are respected at all times. The

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1 Opinion 1/94, WTO, [1994] ECR I-5267, paragraph 33 Consistent with this case law, Mutual Recognition agreements for products are generally concluded on the basis of Article 133 EC. See e.g. Council Decision 1999/78/EC, of 22 June 1998 on the conclusion of an Agreement on Mutual Recognition between the European Community and the United States of America, OJ L 31 of 4.2.1999.

2 Regulation (EC) N° 216/2008 of 20 February 2008 on common rules in the field of civil aviation and the establishment of a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) N° 1592/2002 and Directive 2004/36/EC, OJ L79, 19.3.2008, p.1

proposed Agreement affects this Community legislation within the meaning of the ERTA case law.

14. The Commission, therefore, considers that the Community has exclusive competence to conclude the agreement on the basis of Articles 133(4) and 80(2) EC.

4. STRUCTURE OF THE AGREEMENT

15. The negotiated Agreement reflects by and large the structure of a "classical" agreement in the area of aviation safety, a "BASA" as are called the existing Bilateral Aviation Safety Agreements between Member States and Canada. As in the case of the BASAs, the agreement is based on mutual trust of each other's system and on the comparison of regulatory differences. Hence, it entails obligations and methods to cooperate between exporting and importing authority so that the latter can issue its own certificate on the aeronautical product, part or appliance without duplicating all the assessments done by the exporting authority as well as dispute resolution procedures for amending the agreement.

16. The means how to do so, i.e. how to cooperate and mutually accept each other's certification findings in the area of airworthiness and maintenance (methods, scope in terms of products or services, regulatory differences called also in their jargon "special conditions") are set out in the Annexes to the Agreement.

17. The draft agreement differs from existing BASAs between Member States and third countries including Canada. In the case of existing BASAs what is presented in the Annexes is usually put in separate arrangements at civil aviation authority level not having the binding nature of a treaty. Usually these arrangements are called the "MIP" (for maintenance implementation procedures) and the "IPA" (for Implementing Procedures for Airworthiness). Entry in force of BASA provisions can happen in practice only after an IPA and/or a MIP has been signed, since these are the texts that define how to achieve the objectives set out in the BASA. From the outset of negotiations the two sides agreed that the specific procedures enabling the two sides to mutually accept certification findings in the two areas – certification of design and production and maintenance organisation approvals – would be set out in the annexes which would be equally binding on both sides and would become integral parts of the Agreement.

18. The draft agreement gives the possibility to the Parties to consider ways to further enhance the functioning of the agreement and make recommendations for modifications including addition of new annexes to the agreement via the Joint Committee. It leaves to the Parties the freedom of choice of ways to modify the agreement and its annexes according to the same amendment procedure that finishes with the latest notification by one Party to the other that its domestic procedures for entry into force of an agreed amendment have been completed. In particular where the subject of modification are amendments to existing annexes or addition of new ones, the Parties can agree to modify the agreement by simple exchange of Diplomatic Notes between the Parties.

19. Furthermore, the draft agreement constitutes a net benefit for the Community given that it will establish mutual acceptance of certification findings in all areas of

airworthiness for all Member States. It should be noted that currently, only 6 Member States have a bilateral agreement with Canada covering product certification. To date, Transport Canada has also accepted findings of European administrations, especially when done under the auspices of the JAA, to issue their own approvals. Reciprocally, the JAA has audited the Canadian system and agreed on "outsourcing contracts" with the Canadian administration detailing the processes to be followed to allow the JAA to recommend the acceptance of its findings by JAA member authorities. The same approach prevails for the approvals of maintenance organisations where only 6 formal agreements exist. In this area too, an "outsourcing" arrangement has been concluded between transport Canada and the JAA allowing the acceptance by its member authorities of Canadian repair stations (maintenance organisations) under the oversight of the Canadian administration. There are currently no arrangements covering the environmental certification of aeronautical products.

5. THE CONTENT OF THE AGREEMENT

5.1. Clear rights and obligations for both Parties

20. The Agreement does not propose to go beyond what is permissible in the applicable law of either party. The applicable law for the European Community is Regulation (EC) N° 216/2008 which replaced Regulation (EC) N° 1592/2002 and its implementing measures including any modification thereof.

21. The Community system is fully reflected in the draft text setting out clearly separation of tasks with regard to certification of aeronautical products and components and organisations involved in the design and manufacture of such products and components.

22. With regard to maintenance, based on good experience in the bilateral relations between Canada and the JAA, the Canadian side proposed to go beyond the remit of article 12(1) of Regulation (EC) N° 216/2008 which foresees as the equivalent article 9(1) of Regulation (EC) N° 1592/2002 previously, that in the framework of an international agreement certificates may be issued by EASA or Member States' authorities on the basis of certificates issued by third country authorities. Indeed, the Canadian authorities proposed to issue approvals on behalf of EASA maintenance organisations located in Canada carrying out maintenance on aircraft and parts designed in the EC, without the need for the Agency to issue its own certificates/approvals on the basis of certificates/approvals issued by Transport Canada. This proposal showed the willingness of the Canadian side to achieve full mutual recognition in the area of maintenance.

23. The Commission considers that the provisions of article 12(1) of Regulation (EC) N° 216/2008 is not an obstacle for the Community to conclude an international agreement whereby certificates issued by the competent authority of the third country are automatically valid in the Community.

With this in mind the agreement provides in the area of maintenance for the following:

– The parties agree that, for the purposes of the Maintenance Procedure, compliance with the applicable legislation relating to maintenance of one party and with the regulatory requirements specified in its Appendix B1 amounts to compliance with the applicable legislation of the other Party.

– The parties agree that, for the purposes of the Maintenance Procedure, each Party's Competent Authorities certification practices and procedures provide for an equivalent proof of compliance with the requirements referred to above.

– The parties agree that, for the purposes of the Maintenance Procedure, the respective standards of the Parties pertaining to licensing of maintenance personnel are considered to be equivalent.

5.2. Clear means to achieve the objectives of the mandate

24. The draft stipulates that each party shall accept findings of compliance as results of specified procedures of the other party when these are made according to the provisions of the annexes – Article 3(1)

25. The draft recognises the right of either party's regulatory authority to issue certificates attesting conformity with the system of the other party on behalf of that other party – Article 3(1).

26. The draft agreement ensures that confidence is maintained in each other through the appropriate mechanism – it provides for a system of continual cooperation and consultation that is put in place by means of enhanced cooperation in the framework of audits, inspections, timely notifications and consultations on all matters falling within its scope – Article 8 on mutual cooperation, assistance and transparency.

5.3. Regular consultations and rapid dispute resolution

27. The draft agreement is designed to work smoothly on a daily basis so as to solve technical issues arising from its implementation as quickly as possible. To that end a Joint Committee of the Parties is created, as well as sub-committees – the Joint Sectorial Committee on Certification and the Joint Sectorial Committee on Maintenance – reporting to the Joint Committee of the Parties and monitoring the application of the Annexes. The Joint Committee as well as the sub-committees have both consultation and mediation functions, so as to ensure the smooth functioning of the agreement by providing a forum for resolving differences between the parties – Article 9 (Joint Committee) as well as point 2.2 in Annex 1 regarding certification and point 4.2 in Annex 2 regarding maintenance.

28. The Joint Committee is entrusted with discussing and recommending to the Parties any amendments to the agreement and its annexes and with developing working procedures on regulatory cooperation and transparency for all activities which are not developed by the sub-committees. In this way, discussions in the areas which are not covered by the two annexes but are covered by Community law (e.g. aircraft operations, licences or synthetic training devices) can be discussed in a constructive manner so as to pave the way for any future modification of the agreement.

29. Consultations can be requested at any time - Article 15. Nevertheless, the parties should take all efforts to try to solve technical issues at the lowest possible level before they become “disputes”.

5.4. Maintain a high degree of confidence in each other's system

30. In order to maintain a high degree of confidence in the initial and continued airworthiness certification system of either side, the Community and Canada assume certain obligations:

- to notify the other party of the identity of "competent authority"; for the Community this entails a notification to the Canadian side that a national aviation authority has been successfully audited (by EASA) and that this audit shows that this authority fully complies with the Community legislation, that it is familiar with the requirements of the Canadian legislation in the relevant areas and that it is capable of carrying out the obligations affecting certification and maintenance stemming from the annexes – Article 5(2) and (3);

- to ensure through regular audits that national aviation authorities which have been notified as "competent authorities" to the other side remain capable of fulfilling their obligations stemming from the agreement and its annexes – Article 5(5);

- to cooperate in quality assurance and permit the participation of each other in standardisation inspections and conformity assessments of each other (authorities and undertakings) – Article 5(6) and Article 8(5);

- to exchange safety data – available information on accidents, incidents or occurrences – article 8(4) and to ensure appropriate confidentiality when exchanging information – article 11.

- to notify each other all applicable requirements and to consult each other on regulatory and organisational changes at an early stage – Article 8.

31. In this area lies also the difference between this agreement and the one between the EC and the United States of America on the cooperation in the regulation of civil aviation safety: Canada has not requested a confidence building process consisting of its own (or joint) inspections of EASA or the national aviation authorities as a precondition to sign and conclude this agreement. Contrary to that the United States of America has insisted upon a) inspections of EASA and of national aviation authorities for the purpose of including them as recognised competent authorities for the purpose of the two annexes on certification and maintenance; b) “shadowing certification projects” whereby the US FAA followed a number of certification projects for Type Certification and Supplemental Type Certificates carried out by EASA to familiarise itself with the procedures followed by the Agency, before the agreement could be signed and concluded.

5.5. Strong safeguard measures

32. The draft text of agreement is set up to afford the parties the necessary flexibility to react immediately to safety problems or to set up a higher level of protection they consider appropriate for safety – Article 6. In order to enable the two sides to deal

with such situations without putting at risk the validity of the agreement, specific procedures are foreseen.

33. However, should the parties be unable to remedy satisfactorily a specific situation, the draft text of the agreement provides first for the possibility to suspend acceptance of the findings of the contested Competent Authority – Article 10 and second for means and procedures to be followed for the termination of a part of the agreement or of its entirety – Article 16(2).

Proposal for a

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 80(2) and 133(4) in conjunction the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission[3],

Whereas:

(1) The Commission has negotiated on behalf of the Community an Agreement on civil aviation safety with Canada in accordance with the Council Decision authorising the Commission to open negotiations;[4]

(2) The Agreement negotiated by the Commission should be signed, subject to its possible conclusion at a later stage;

(3) The Member States should take the necessary measures in order to ensure that their bilateral agreements with Canada on the same subject are terminated as of the date of entry into force of the Agreement.

HAS ADOPTED THIS DECISION:

Article 1

The signing of the Agreement between the European Community and Canada on civil aviation safety (hereinafter "the Agreement") is hereby approved on behalf of the Community, subject to a Council Decision concerning the conclusion of the Agreement. The text of the Agreement is attached to this Decision.

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement on behalf of the Community, subject to its conclusion.

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3 OJ C , , p. .

4 SEC(2004) 213 final of 25.2.2004

Done at Brussels,

For the Council
The President

Proposal for a

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 80(2) and 133(4) in conjunction with the first sentence of the first subparagraph of Article 300(2), the first subparagraph of Article 300(3) and Article 300(4) thereof,

Having regard to the proposal from the Commission[5],

Whereas:

(1) The Commission has negotiated on behalf of the Community and Agreement on civil aviation safety with Canada in accordance with the Council Decision authorising the Commission to open negotiations;

(2) The Agreement was signed on behalf of the Community subject to its possible conclusion at a later date, in conformity with Decision …/…/EC of the Council on …;

(3) The Agreement should be approved;

(4) It is necessary to lay down procedural arrangements for the participation of the Community in the joint bodies established by the Agreement , as well as for the adoption of certain decisions concerning in particular the amendment of the Agreement and its Annexes, the addition of new annexes, the termination of individual annexes, consultations and dispute resolution and the adoption of safeguard measures;

(5) The Member States should take the necessary measures in order to ensure that their bilateral agreements with Canada on the same subject are terminated as of the date of entry into force of the Agreement.

HAS ADOPTED THIS DECISION:

Article 1

(1) The Agreement between the European Community and Canada on civil aviation safety is approved on behalf of the Community.

(2) The text of the Agreement is annexed to this Decision.

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[5] OJ C , , p. .

(3) The President of the Council is authorised to designate the person empowered to make the notification provided in Article 16(1) of the Agreement.

Article 2

(1) The Community shall be represented in the Joint Committee of the Parties established in Article 9 of the Agreement by the European Commission assisted by the European Aviation Safety Agency and accompanied by the Aviation Authorities as representatives of the Member States.

(2) The Community shall be represented in the Joint Sectorial Committee on Certification provided in paragraph 2 of Annex A of the Agreement and in the Joint Sectorial Committee on Maintenance provided in paragraph 4 of Annex B of the Agreement by the European Aviation Safety Agency assisted by the Aviation Authorities directly affected by the agenda of each meeting.

Article 3

(1) The Commission, after consultation with the special committee appointed by the Council, shall determine the position to be taken by the Community in the Joint Committee of the Parties with respect to the following matters:

– The adoption or amendment of the internal governing procedures of the Joint Committee of the Parties provided in Article 9(3) of the Agreement;

(2) The Commission, after consultation with the special committee referred to in paragraph 1, may take the following action:

– Adopt safeguard measures in accordance with Article 6 of the Agreement;

– Request consultations in accordance with Article 15 of the Agreement;

– Suspend the acceptance of findings and rescind such suspension in accordance with Article 10 of the Agreement.

(3) The Council shall decide, acting by qualified majority, on a proposal from the Commission, with respect to the following matters:

– The adoption of additional Annexes in accordance with Article 16(5) of the Agreement;

– Any other amendments to the Agreement not falling within the scope of paragraph 1;

– The Termination of individual Annexes in accordance with Article 16(3) of the Agreement.

Done at Brussels,

For the Council
The President

ANNEX

AGREEMENT

ON CIVIL AVIATION SAFETY
BETWEEN
THE EUROPEAN COMMUNITY AND CANADA

The EUROPEAN COMMUNITY and CANADA hereinafter referred to collectively as "the Parties",

CONSIDERING that each Party has determined, by a long practice of technical exchanges and bilateral arrangements between members of the European Community (EC) and Canada, that the standards and systems of the other Party for the airworthiness and environmental certification or acceptance of Civil Aeronautical Products are sufficiently equivalent to its own to make an agreement practicable;

RECOGNISING the emerging trend toward multinational design, production, and interchange of Civil Aeronautical Products;

DESIRING to promote civil aviation safety and environmental quality and compatibility and facilitate the exchange of Civil Aeronautical Products;

DESIRING to enhance co-operation and increase efficiency in matters relating to civil aviation safety;

CONSIDERING that their co-operation can positively contribute in encouraging greater international harmonization of standards and processes;

CONSIDERING the possible reduction of the economic burden imposed on the aviation industry and operators by redundant technical inspections, evaluations, and testing;

RECOGNISING the mutual benefit of improved procedures for the reciprocal acceptance of approvals and testing as regards airworthiness, environmental protection, aircraft maintenance facilities, and continuing airworthiness;

RECOGNISING that any such reciprocal acceptance needs to offer an assurance of conformity with applicable technical regulations or standards equivalent to the assurance offered by a Party's own procedures;

RECOGNISING that any such reciprocal acceptance also requires confidence by each Party in the continued reliability of the other Party's conformity assessments;

RECOGNISING the respective commitments of the Parties under bilateral, regional and multilateral agreements dealing with civil aviation safety and environmental compatibility:

HAVE AGREED AS FOLLOWS:

Article 1

Objectives

The objectives of this Agreement are:

(a) To establish, consistent with the legislation in force within each Party, principles and arrangements in order to enable the reciprocal acceptance of approvals issued by either Party's Competent Authorities in the fields covered by this Agreement, as detailed in Article 4.

(b) To allow the Parties to adapt to the emerging trend toward multinational design, manufacture, maintenance, and interchange of Civil Aeronautical Products, involving the common interests of the Parties concerning civil aviation safety and environmental quality.

(c) To promote cooperation toward sustaining safety and environmental quality objectives.

(d) To promote and facilitate the continuing exchange of Civil Aeronautical Products and services.

Article 2

Definitions

The following terms and definitions shall apply to this Agreement:

(a) "Airworthiness Approval" means a finding that the design or change to a design of a Civil Aeronautical Product meets standards established by the applicable legislation in force in either Party or that a product conforms to a design that has been found to meet those standards and is in a condition of safe operation.

(b) "Civil Aeronautical Product" means any civil aircraft, aircraft engine, or aircraft propeller or sub-assembly, appliance, part, or component installed or to be installed thereon.

(c) "Competent Authority" means a government agency or entity that is designated as a Competent Authority by a Party for the purposes of this Agreement, that exercises a legal right to assess conformity of, to monitor and to control the use or sale of, Civil Aeronautical Products or services within a Party's jurisdiction and that may take enforcement action to ensure that such products or services marketed within that Party's jurisdiction comply with applicable legal requirements.

(d) "Design-related Operational Requirements" means the operational or environmental requirements affecting either the design features of the product or data on the design relating to the operations or maintenance of the product that make it eligible for a particular kind of operation.

(e) "Environmental Approval" means a finding that a Civil Aeronautical Product complies with standards established by the applicable legislation in force in either Party concerning noise and/or exhaust emissions.

(f) "Maintenance" means the performance of inspection, overhaul, repair, preservation, and the replacement of parts, appliances, or components with the exception of pre-flight inspection of a Civil Aeronautical Product to assure the continued airworthiness of that product, and includes embodiment of Modifications; but does not include the design of repairs and Modifications.

(g) "Monitoring" means the periodic surveillance by a Competent Authority to determine continuing compliance with the appropriate applicable standards.

(h) "Technical Agent" means, for Canada, the Canadian organization responsible for civil aviation and for the European Community, the European Aviation Safety Agency (EASA).

Article 3

General Obligations

1. Each Party shall, as specified in the Annexes to this Agreement, which form an integral part thereof, accept or recognise results of specified procedures, used in assessing conformity with specified legislative, regulatory, and administrative measures of that Party, produced by the other Party's Competent Authorities, with the understanding that the conformity assessment procedures utilised assure conformity to the satisfaction of the receiving Party, with applicable legislative, regulatory and administrative measures of that Party, equivalent to the assurance offered by the receiving Party's own procedures.

2. Paragraph 1 of this Article shall only apply when transitional arrangements, which may be set out in the Annexes to this Agreement, have been completed.

3. This Agreement shall not be construed to entail reciprocal acceptance of standards or technical regulations of the Parties and, unless otherwise specified in this Agreement, shall not entail the mutual recognition of the equivalence of standards or technical regulations.

4. Nothing in this Agreement shall be construed to limit the authority of a Party to determine, through its legislative, regulatory and administrative measures, the level of protection it considers appropriate for safety, for the environment, and otherwise with regard to risks within the scope of the applicable Annex to this Agreement.

5. The findings made by delegated persons or approved organisations, authorized by the applicable legislation of either Party to make the same findings as a Competent Authority, shall be given the same validity as those made by a Competent Authority itself for the purposes of this Agreement. An entity of one Party responsible for the implementation of this Agreement, as defined in Article 7, may on occasion, and upon prior notification to its counterpart within the other Party, interact directly with a delegated person or approved organisation of that other Party.

Article 4

General Scope of Coverage

1. This Agreement applies to:

(a) the Airworthiness Approval and Monitoring of Civil Aeronautical Products;

(b) the continuing airworthiness of in-service aircraft;

(c) the approval and Monitoring of production and manufacturing facilities;

(d) the approval and Monitoring of maintenance facilities;

(e) the Environmental Approval and environmental testing of Civil Aeronautical Products; and

(f) related cooperative activities.

2. When European Community competence is exercised in relation to air operations, flight crew licensing and the approval of synthetic training devices, the Parties may agree on additional Annexes, including transitional arrangements, specific to each area in accordance with the procedure specified in Article 16.

Article 5

Competent Authorities

1. When an entity is eligible under the legislation of a Party, it shall be recognized as Competent Authority by the other Party, once it has been audited by its Party to determine that:

(a) it fully complies with the legislation of its Party,

(b) it is familiar with the requirements of the other Party, for the type and scope of certification it applied for and

(c) it is capable of carrying out the obligations contained in the Annexes.

2. A Party shall notify the other Party of the identity of a Competent Authority once it has successfully completed the audit. The other Party may contest the technical competence or compliance of that Competent Authority in accordance with paragraph 6 of this Article.

3. The entities identified in Appendix 1 and 2 shall be deemed to comply with the provisions of Paragraph 1 of this Article for the implementation respectively of Annex A and B at the time of entry into force of this Agreement.

4. The Parties shall ensure that their Competent Authorities are capable and remain capable of properly assessing conformity of products or organisations, as applicable and as covered in the Annexes to this Agreement. In this regard, the Parties shall ensure that their Competent Authorities are subject to regular audit or assessment.

5. The Parties shall consult as necessary to ensure the maintenance of confidence in conformity assessment procedures. This consultation may include participation from one Party in the regular audits related to conformity assessment activities or other assessments of Competent Authorities of the other Party.

6. In the event of a Party's contestation of the technical competence or compliance of a Competent Authority, the contesting Party shall notify in writing the other Party of its contestation of the technical competence or compliance of the relevant Competent

Authority and of its intent to suspend the acceptance of the findings of the relevant Competent Authority. Such contestation shall be exercised in an objective and reasoned manner.

7. Any contestation notified in accordance with Paragraph 6 of this Article shall be discussed by the Joint Committee established pursuant to Article 9, which may decide to suspend acceptance of the findings of that Competent Authority or that verification of its technical competence is required. Such verification shall normally be carried out in a timely manner by the Party having jurisdiction over the Competent Authority in question, but may be carried out jointly by the Parties if they so decide.

8. If the Joint Committee has not been able to resolve a contestation notified in accordance with Paragraph 6 of this Article, within 30 days of its notice, the contesting Party may suspend acceptance of the findings of the Competent Authority in question but shall accept the findings made by that Competent Authority before the date of the notice. Such suspension may remain in effect until the Joint Committee has resolved the matter.

Article 6

Safeguard Measures

1. Nothing in this Agreement shall be construed to limit the authority of a Party to take all appropriate and immediate measures whenever there is a reasonable risk that a product or a service may:

   (a) compromise the health or safety of persons;

   (b) not meet the applicable legislative, regulatory, or administrative measures of that Party within the scope of this Agreement; or

   (c) otherwise fail to satisfy a requirement within the scope of the applicable Annex to this Agreement.

2. Where either Party takes measures pursuant to Paragraph 1 of this Article, it shall inform the other Party in writing within 15 working days of taking such measures, providing reasons for it.

Article 7

Communications

1. The Parties agree that communications between themselves for the implementation of this Agreement shall be dealt with by:

   (a) as regards technical matters, the Technical Agents

   (b) as regards all other matters:

      – for Canada : The Department of Transport;

      – for the European Community: the European Commission and the Competent Authorities of the Member States, where applicable

2. Upon signature of this Agreement the Parties will communicate to each other the relevant contact points.

Article 8

Mutual Cooperation, Assistance and Transparency

1. Each Party shall ensure that the other Party is kept informed of all its relevant laws, regulations, standards, and requirements, and of its certification system.

2. The Parties shall notify each other of their proposed significant revisions to their relevant laws, regulations, standards, and requirements, and to their certification systems insofar as these revisions may have an impact on this Agreement. To the maximum extent practicable, they shall offer each other an opportunity to comment on such revisions and give due consideration to such comments.

3. The Parties shall, as appropriate, develop procedures on regulatory co-operation and transparency for all activities they conduct which fall within the scope of this Agreement.

4. The Parties agree, subject to their applicable legislation, to provide each other, on request and in a timely manner, information related to accidents, incidents or occurrences related to the subject matters covered by this Agreement.

5. For the purpose of investigating and resolving safety issues by mutual cooperation, the Parties shall allow each other to participate in each other's inspections and audits on a sample basis or conduct joint inspections and audits as appropriate.

Article 9

Joint Committee of the Parties

1. A Joint Committee is established, consisting of representatives from each Party. The Joint Committee shall be responsible for the effective functioning of this Agreement and shall meet at regular intervals to evaluate the effectiveness of its implementation.

2. The Joint Committee may consider any matter related to the functioning and implementation of this Agreement. In particular it shall be responsible for:

   (a) reviewing and taking appropriate action with respect to contestations as specified in Article 5;

   (b) resolving any question relating to the application and implementation of this Agreement, including those questions not otherwise resolved in the Joint Sectorial Committee established pursuant to the relevant Annex;

   (c) considering ways to enhance the operation of this Agreement and make as appropriate recommendations to the Parties for the amendment of this Agreement;

   (d) considering specific amendments to the Annexes;

   (e) coordinating, as appropriate, the development of additional Annexes;

(f) adopting, as appropriate, working procedures on regulatory cooperation and transparency for all activities referred to in Article 4 which are not otherwise developed by Joint Sectorial Committees.

1. The Joint Committee shall draw up its own rules of procedure within one year of coming into force of this Agreement.

Article 10

Suspension of Reciprocal Acceptance Obligations

1. A Party may suspend, in whole or in part, its obligations specified under an Annex of this Agreement , where:

(a) the other Party fails to fulfil its obligations specified under that Annex of this Agreement ; or

(b) one or more of its own Competent Authorities cannot implement new or additional requirements adopted by the other Party in the field covered by that Annex of this Agreement ; or,

(c) the other Party fails to maintain the legal and regulatory means and measures required to implement the provisions of this Agreement.

2. Before suspending its obligations, a Party shall request consultations under article 15. Should consultations not resolve a disagreement that relates to any of the Annexes, either Party may notify the other Party of its intention to suspend the acceptance of findings of compliance and approvals under the Annex, over which there is disagreement. Such notification shall be in writing and detail the reasons for suspension.

3. Such suspension shall take effect 30 days after the date of the notification, unless, prior to the end of this period, the Party, which initiated the suspension, notifies the other Party in writing that it withdraws its notification. Such suspension shall not affect the validity of findings of compliance, certificates and approvals made by the Party's Technical Agents or Competent Authority in question prior to the date the suspension took effect. Any such suspension that has become effective may be rescinded immediately upon an exchange of written correspondence to that effect by the Parties.

Article 11

Confidentiality

1. Each Party agrees to maintain, to the extent required under its legislation, the confidentiality of information received from the other Party under this Agreement.

2. In particular, subject to their respective legislation, the Parties shall neither disclose to the public, nor permit a Competent Authority to disclose to the public, information received from each other under this Agreement that constitutes trade secrets, confidential commercial or financial information, or information that relates to an ongoing investigation. To this end such information shall be considered proprietary and be appropriately marked as such.

3. A Party or a Competent Authority may, upon providing information to the other Party or a Competent Authority of the other Party, designate the portions of the information that it considers to be exempt from disclosure.

4. Each Party shall take all reasonable precautions necessary to protect information received under this Agreement from unauthorized disclosure.

Article 12

Cost recovery

1. Neither Party shall impose fees or charges on natural or legal persons whose activities are regulated under this Agreement for conformity assessment services covered under this Agreement and provided by the other Party.

2. Each Party shall endeavour to ensure that any fees or charges imposed by its Technical Agent on a legal or natural person whose activities are regulated under this Agreement shall be just, reasonable and commensurate with the certification and surveillance services provided, and shall not create a barrier to trade.

3. Each Party's Technical Agent shall have the right to recover through fees and charges applied to natural or legal persons whose activities are regulated under this Agreement, the costs related to the implementation of the applicable Annex and of audits and inspections made in application of Paragraph 5 of Article 5 and Paragraph 5 of Article 8.

Article 13

Other Agreements

1. Except where otherwise specified in the Annexes, obligations contained in agreements concluded by either Party with a third country not party to this Agreement shall have no force and effect with regard to the other Party in terms of acceptance of the results of conformity assessment procedures in the third country.

2. Upon entry into force, this Agreement shall supersede the bilateral aviation safety agreements between Canada and the member states of the European Union with respect to any matters covered by this Agreement.

3. This Agreement shall not affect the rights and obligations of the Parties under any other international agreement.

Article 14

Territorial Application

Except where otherwise specified in the Annexes of this Agreement , this Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Community is applied, and under the conditions laid down in that Treaty and, on the other hand, to the territory of Canada.

Article 15

Consultations and Settlement of Disagreements

1. Either Party may request consultations with the other Party on any matter related to this Agreement. The other Party shall reply promptly to such a request and shall enter into consultations at a time agreed by the Parties within 45 days.

2. The Parties shall make every effort to resolve any disagreement between them regarding their cooperation under this Agreement at the lowest possible technical level by consultation in accordance with provisions contained in the Annexes to this Agreement.

3. In the event that any disagreement is not resolved as provided for in Paragraph 2 of this Article, either Technical Agent may refer the disagreement to the Joint Committee of the Parties, which shall consult on the matter.

Article 16

Entry Into Force, Termination and Amendment

1. This Agreement shall enter into force on the date of the last note of an exchange of Diplomatic Notes in which the Parties notify each other of the completion of their internal procedures necessary for the entry into force of this Agreement. The Agreement shall remain in force until terminated by either Party.

2. A Party may terminate this Agreement at any time upon six months written notification to the other Party, unless the said notice of termination has been withdrawn by mutual consent of the Parties before the expiry of this period.

3. Where a Party seeks to amend the Agreement by removing one or more Annexes and preserving the other Annexes, the Parties shall seek to amend this Agreement by consensus, in accordance with the procedures in this Article. Failing such consensus, the Agreement shall terminate at the end of six months from the date of notice unless otherwise agreed by the Parties.

4. Parties may amend this Agreement by mutual written consent. An amendment to this Agreement shall enter into force on the date of the latest written notification by one Party to the other Party that its domestic procedures for entry into force have been completed.

5. Notwithstanding the provisions of Paragraph 4 of this Article, the Parties may agree to amend the existing Annexes or add new ones by means of an exchange of Diplomatic Notes between the Parties. These amendments shall enter into force subject to the terms agreed in the exchange of Diplomatic Notes.

6. Following termination of this Agreement, each Party shall maintain the validity of any Airworthiness Approvals, Environmental Approvals or certificates issued under this Agreement prior to its termination, subject to their continued compliance with that Party's applicable laws and regulations.

IN WITNESS WHEREOF, the undersigned duly authorized to that effect, have signed this Agreement DONE, in duplicate in XX, this XX day of XXX 2008, in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian,

Maltese, Polish, Portuguese, Romanian, Slovakian, Slovenian, Spanish and Swedish languages, each version being equally authentic.

FOR THE EUROPEAN COMMUNITY / FOR CANADA

_____ / _____

Appendix 1

List of competent authorities, which are deemed to comply with the provisions of Article 5.1 as regards Annex A

1. competent authorities as regards design approvals

for Canada: the Canadian organisation responsible for civil aviation

for the European Community: the European Aviation Safety Agency

2. competent authorities as regards production oversight

for Canada: the Canadian organisation responsible for civil aviation

for the European Community: the European Aviation Safety Agency

the Competent Authorities of Member States

Appendix 2

Competent Authorities of the 27 EU Member States, which are deemed to comply with the provisions of Article 5.1 as regards Annex B

ANNEX A

Procedure for the Certification of Civil Aeronautical Products

1. SCOPE

1.1. This Procedure (hereinafter referred to as the "Procedure") applies to:

1.1.1. The reciprocal acceptance of findings of compliance with design, environmental and Design-related Operational Requirements for Civil Aeronautical Products, made by the Technical Agent of the Party acting as the authorised representative of the State of design.

1.1.2. The reciprocal acceptance of findings that new or used Civil Aeronautical Products comply with airworthiness and environmental import requirements of either Party;The reciprocal acceptance of the approvals of design changes and repair designs of Civil Aeronautical Products performed under the authority of either Party;

1.1.3. Cooperation and assistance on continued airworthiness of in-service aircraft.

1.2. For the purposes of this Procedure the following terms shall be defined as follows:

(a) "Authorized Release Certificate" means a declaration by a person or organization under the jurisdiction of the Exporting Party that a Civil Aeronautical Product, other than a complete aircraft, is either a newly manufactured product or is released after maintenance has been performed on it.

(b) "Export Certificate of Airworthiness" means an export declaration by a person or organization under the jurisdiction of the Exporting Party that a complete aircraft, also under the jurisdiction of the Exporting Party, conforms to the airworthiness and environmental requirements notified by the Importing Party.

(c) "Exporting Party" means the Party from which a Civil Aeronautical Product is exported;

(d) "Importing Party" means the Party to which a Civil Aeronautical Product is imported;

2. JOINT SECTORIAL COMMITTEE ON CERTIFICATION

2.1. Composition

2.1.1. A Joint Sectorial Committee on Certification is established. This Committee shall include representatives from each Party responsible at managerial level for:

2.1.1.1. Civil Aeronautical Product certification;

2.1.1.2. production, where different from persons covered by subparagraph 2.1.1.1.;

2.1.1.3. certification regulations and standards and

2.1.1.4. internal standardisation inspections or quality control systems.

2.1.2. Any other person, as jointly decided by the Parties, who can facilitate fulfilling the mandate of the Joint Sectorial Committee on Certification may be invited to that Committee.

2.1.3. The Joint Sectorial Committee on Certification shall establish its own rules of procedure.

2.2. Mandate

2.2.1. The Joint Sectorial Committee on Certification shall meet at least once a year to ensure the effective functioning and implementation of this Procedure and shall, inter alia:

(a) decide, as appropriate, on working procedures to be used to facilitate the certification process;

(b) decide, as appropriate, on technical standard orders for the purposes of subparagraph 3.3.7 of this Procedure.

(c) evaluate regulatory changes in each Party to ensure that certification requirements remain current;

(d) elaborate, as appropriate, proposals for the Joint Committee regarding amendments to this Procedure, other than those referred to in subparagraph 2.2.1(b);

(e) ensure that the Parties share a common understanding of this Procedure;

(f) ensure that the Parties apply this Procedure in a consistent manner;

(g) resolve any difference on technical issues arising out of the interpretation or the implementation of this Procedure, including differences that may arise in the determination of certification bases or the application of special conditions, exemptions and deviations;

(h) organize, as appropriate, reciprocal participation by one Party in the other Party's internal standardisation or quality control system;

(i) identify, where appropriate, focal points responsible for the certification of each Civil Aeronautical Product imported or exported between the Parties; and

(j) develop effective means for cooperation, assistance and exchange of information regarding safety and environmental standards and certification systems to minimise to the maximum extent possible, differences between the Parties;

2.2.2. Should the Joint Sectorial Committee on Certification be unable to resolve differences in accordance with subparagraph 2.2.1(g), it shall report the issue to the Joint Committee and ensure the implementation of the decision reached by that Committee.

3. DESIGN APPROVALS

3.1. General Provisions

3.1.1. This Procedure covers the design approvals and changes thereof for: type certificates, supplemental type certificates, repairs, parts and appliances

3.1.2. For the implementation of this Procedure, the Parties agree that the demonstration of capability of a design organisation to assume its responsibilities is sufficiently controlled by either Party, to satisfy any difference in specific requirements of the other Party

3.1.3. An application for a design approval shall be made to the Importing Party through the Exporting Party, where appropriate.

3.1.4. The bodies responsible for the implementation of this section 3 relative to design approvals shall be the Technical Agents.

3.2. Certification Basis

3.2.1. For the purpose of issuing a Type Certificate, the Importing Party shall use the applicable standards for a similar product of its own that were in effect when the application for the original Type Certificate was submitted to the Exporting Party.

3.2.2. Subject to subparagraph 3.2.5 and for the purpose of approving a design change or repair design, the Importing Party shall specify a change to the certification basis established under subparagraph 3.2.1. when it considers such change appropriate for the design change or repair design.

3.2.3. Subject to subparagraph 3.2.5., the Importing Party shall specify any special condition applied or intended to be applied to novel or unusual features of a product design not covered by the applicable airworthiness and environmental standards.

3.2.4. Subject to subparagraph 3.2.5., the Importing Party shall specify any exemption to or deviation from the applicable standards.

3.2.5. When specifying special conditions, exemptions, deviations or changes to the certification basis, the Importing Party shall give due consideration to those of the Exporting Party and shall not be more demanding for the products of the Exporting Party than it would be for similar products of its own. The Importing Party shall notify the Exporting Party of any such special condition, exemption deviation or change to the certification basis.

3.3. Certification Process

3.3.1. The Exporting Party shall provide to the Importing Party all the information necessary for the Importing Party to become and remain familiar with individual Civil Aeronautcial Products of the Exporting Party and their certification.

3.3.2. For each design approval, the Parties shall develop a certification programme, on the basis of the working procedures determined by the Joint Sectorial Committee on Certification, as appropriate.

3.3.3. The Importing Party shall issue its Type Certificate or Supplemental Type Certificate for an aircraft, engine or propeller when:

(a) the Exporting Party has issued its own certificate;

(b) the Exporting Party certifies to the Importing Party that the type design of a product complies with the certification basis as set out in Paragraph 3.2; and

(c) all issues raised during the certification process have been resolved.

3.3.4. Changes to type design for a Civil Aeronautical Product for which the importing Party has issued a type certificate shall be approved as follows:

3.3.4.1. The Exporting Party shall classify the design changes in two categories in accordance with the working procedures determined by the Joint Sectorial Committee on Certification.

3.3.4.2. For the category of design changes that require the involvement of the Importing Party, the Importing Party shall approve the design changes following receipt of a written statement by the Exporting Party that the design changes comply with the certification basis as set out in paragraph 3.2. In order to fulfil its obligations under this subparagraph, the Exporting Party may provide individual statements for each design change or collective statements for lists of approved design changes;

3.3.4.3. For all other design changes the approval of the Exporting Party constitutes a valid approval of the Importing Party without additional action.

3.3.5. Changes to the design of a Civil Aeronautical Product for which the importing Party has issued a supplemental type certificate shall be approved as follows:

3.3.5.1. The Exporting Party shall classify the design changes in two categories in accordance with the working procedures determined by the Joint Sectorial Committee on Certification.

3.3.5.2. For the category of design changes that require the involvement of the Importing Party, the Importing Party shall approve the design changes following receipt of a written statement by the Exporting Party that the design changes comply with the certification basis as set out in Paragraph 3.2. In order to fulfil its obligations under this subparagraph, the Exporting Party may provide individual statements for each design change or collective statements for lists of approved design changes;

3.3.5.3. For all other design changes, the approval of the Exporting Party constitutes a valid approval of the Importing Party without additional action.

3.3.6. Repair designs of Civil Aeronautical Products for which the Importing Party has issued a Type Certificate shall be approved as follows:

3.3.6.1. The Exporting Party shall classify the repair designs in two categories in accordance with the working procedures determined by the Joint Sectorial Committee on Certification.

3.3.6.2. For the category of repair designs that require the involvement of the Importing Party, the Importing Party shall approve the designs following receipt of a written statement by the Exporting Party that the repair designs comply with the certification basis as set out in Paragraph 3.2. In order to fulfil its obligations under this subparagraph, the Exporting Party may provide individual statements for each major repair design or collective statements for lists of approved repair designs;

3.3.6.3. For all other repair designs, the approval of the Exporting Party constitutes a valid approval of the Importing Party without additional action.

3.3.7. For parts and appliances approved on the basis of technical standard orders decided by the Joint Sectorial Committee on Certification in accordance with Paragraph 2.2. of this Procedure, the approval of parts and appliances issued by the Exporting Party shall be recognised by the Importing Party as equivalent to its own approvals issued in accordance with its legislation and procedures.

3.4. Design-related Operational Requirements

3.4.1. The Importing Party, upon request from the Exporting Party, shall advise the Exporting Party of its current Design-related Operational Requirements.

3.4.2. The Importing Party shall determine with the Exporting Party, either on a case by case basis, or by the development of a list of specific current Design-related Operational Requirements for certain categories of products and/or operations, the Design-related Operational Requirements for which it shall accept the written certification and compliance statement of the Exporting Party.

3.5. Continuing Airworthiness

3.5.1. The two Parties shall cooperate in analysing airworthiness aspects of accidents and incidents occurring in relation to Civil Aeronautical Products to which this Agreement applies and which are such as would raise questions concerning the airworthiness of such products.

3.5.2. The Exporting Party shall, in respect of Civil Aeronautical Products designed or manufactured under its jurisdiction, determine any appropriate action necessary to correct any unsafe condition of the type design that may be discovered after a Civil Aeronautical Product is placed in service, including any actions in respect of components designed and/or manufactured by a supplier under contract to a prime contractor in the territory under the Exporting Party's jurisdiction.

3.5.3. The Exporting Party shall, in respect of Civil Aeronautical Products designed or manufactured under its jurisdiction, assist the Importing Party in determining any action considered to be necessary by the Importing Party for the continued airworthiness of the products.

3.5.4. Each Party shall keep the other Party informed of all mandatory airworthiness directives, or other actions which it determines are necessary for the continued airworthiness of Civil Aeronautical Products designed or manufactured under the jurisdiction of either Party and that are covered by this Agreement.

4. PRODUCTION APPROVAL

4.1. For the implementation of this Procedure, the Parties agree that the demonstration of the capability of a production organization to assume production quality assurance and control of Civil Aeronautical Products is sufficiently controlled by the oversight of such organization by a Competent Authority of either Party, to satisfy any difference in specific requirements of the other Party.

4.2. When a production approval under the regulatory oversight of one Party includes manufacturing sites and facilities in the other Party's territory or in a third country, the former Party shall remain responsible for the surveillance and oversight of these manufacturing sites and facilities.

4.3. The Parties may seek assistance from the civil aviation authority of a third country in the fulfilment of their regulatory surveillance and oversight functions when an approval by either Party has been granted or extended by formal agreement or arrangement with that third country.

4.4. The bodies responsible for the implementation of this section 4 relative to production approvals shall be the Competent Authorities as referred to in Article 5 of the Agreement.

5. EXPORT AIRWORTHINESS APPROVALS

5.1. General

5.1.1. The Exporting Party shall issue export airworthiness approvals for Civil Aeronautical Products exported to the Importing Party under the conditions defined in Paragraphs 5.2 and 5.3.

5.1.2. The Importing Party shall accept the Exporting Party's export airworthiness approvals issued in accordance with Paragraphs 5.2 and 5.3. .

5.1.3. The identification of parts and appliances with the specific markings required by the Exporting Party's legislation shall be recognised by the Importing Party as complying with its own legal requirements.

5.2. Export Certificates of Airworthiness

5.2.1. New Aircraft

5.2.1.1. An Exporting Party through its Competent Authority responsible for the implementation of this procedure shall issue an Export Certificate of Airworthiness, for a new aircraft, certifying that the aircraft:

(a) conforms to a type design approved by the Importing Party in accordance with this Procedure;

(b) is in a condition for safe operation, including compliance with the applicable airworthiness directives of the Importing Party, as notified by that Party;

(c) meets all additional requirements prescribed by the Importing Party, as notified by that Party.

5.2.2. Used aircraft

5.2.2.1. For a used aircraft for which a design approval was granted by the Importing Party, the Exporting Party through its Competent Authority responsible for the oversight of the Certificate of Airworthiness of that aircraft shall issue an Export Certificate of Airworthiness certifying that the aircraft:

(a) conforms to a type design approved by the Importing Party in accordance with this Procedure;

(b) is in a condition for safe operation, including compliance with all applicable airworthiness directives of the Importing Party, as notified by that Party;

(c) has been properly maintained using approved procedures and methods during its service life, as evidenced by logbooks and maintenance records; and

(d) meets all additional requirements prescribed by the Importing Party, as notified by that Party.

5.2.2.2. For used aircraft manufactured under its jurisdiction, each Party agrees to assist upon request the other Party in obtaining information regarding:

(a) the configuration of the aircraft at the time it left the manufacturer; and

(b) subsequent installations on the aircraft that it has approved.

5.2.2.3. The Parties shall also accept each other's Export Certificates of Airworthiness for used aircraft manufactured and/or assembled in a third country when the conditions of subparagraphs 5.2.2.1(a) to (d) have been met.

5.2.2.4. The Importing Party may request inspection and maintenance records that include, but are not limited to:

(a) the original or certified true copy of an Export Certificate of Airworthiness, or its equivalent, issued by the Exporting Party;

(b) records which verify that all overhauls, major changes, and repairs were accomplished in accordance with the requirements approved or accepted by the Exporting Party; and

(c) maintenance records and log entries which substantiate that the used aircraft has been properly maintained throughout its service life in accordance with the requirements of an approved maintenance program.

5.3. Authorized Release Certificate

5.3.1. New engines and propellers

5.3.1.1. The Importing Party shall accept the Exporting Party's Authorised Release Certificate on a new engine or propeller, only when the Certificate provides that such engine or propeller:

(a) conforms to a type design approved by the Importing Party in accordance with this Procedure;

(b) is in a condition for safe operation, including compliance with the applicable airworthiness directives of the Importing Party, as notified by that Party; and

(c) meets all additional requirements prescribed by the Importing Party, as notified by that Party.

5.3.1.2. The Exporting Party shall export all new engines and propellers with an Authorised Release Certificate issued in accordance with its legislation and procedures.

5.3.2. New sub-assemblies, parts and appliances

5.3.2.1. The Importing Party shall accept the Exporting Party's Authorised Release Certificate on a new sub-assembly, part, including a modified and/or replacement part, and appliances, only when the Certificate provides that such sub-assembly or part:

(a) conforms to design data approved by the Importing Party;

(b) is in a condition for safe operation; and

(c) meets all additional requirements prescribed by the Importing Party, as notified by that Party.

5.3.2.2. The Exporting Party shall export all new parts with an Authorised Release Certificate issued in accordance with its legislation and procedures.

6. TECHNICAL ASSISTANCE

6.1. The Parties, where appropriate through their Competent Authorities, shall provide technical assistance to each other, upon request.

6.2. Types of assistance may include, but are not limited to, the following:

6.2.1. Determination of Compliance:

(a) witnessing tests;

(b) performing compliance and conformity inspections;

(c) reviewing reports; and

(d) obtaining data.

6.2.2. Monitoring and Oversight:

(a) witnessing of first article inspection of parts;

(b) monitoring the controls on special processes;

(c) conducting sample inspections on production parts;

(d) monitoring the activities of delegated persons or approved organisations referred to in Article 3.5 of the Agreement;

(e) conducting investigations of service difficulties; and

(f) evaluating and overseeing production quality systems.

Annex B

Procedure for Maintenance

1. SCOPE

This Procedure (hereinafter referred to as the "Procedure") applies to the reciprocal acceptance of findings in the field of aircraft maintenance for aircraft and components intended for installation thereon".

2. APPLICABLE LEGISLATION

The Parties agree that, for the purposes of this Procedure, compliance with the applicable legislation relating to maintenance of one Party and with the regulatory requirements specified in Appendix B1 of this Procedure amounts to compliance with the applicable legislation of the other Party.

The Parties agree that, for the purposes of this Procedure, each Party's Competent Authorities certification practices and procedures provide for an equivalent proof of compliance with the requirements referred to in the previous paragraph.

The Parties agree that, for the purposes of this Procedure, the respective standards of the Parties pertaining to licensing of maintenance personnel are considered to be equivalent.

3. DEFINITIONS

For the purposes of this Procedure, the following terms shall be defined as follows:

(a) "Aircraft" means any machine that can derive support in the atmosphere from the reactions of the air other than reactions of the air against the earth's surface;

(b) "Component" means any engine, propeller, part or appliance;

(c) "Large aircraft" means an aircraft, classified as an aeroplane with a maximum take-off mass of more than 5700 kg, or a multi-engined helicopter; and

(d) "Modification" means a change affecting the construction, configuration, performance, environmental characteristics, or operating limitations of a Civil Aeronautical Product.

4. JOINT SECTORIAL COMMITTEE ON MAINTENANCE

4.1. Composition

4.1.1. A Joint Sectorial Committee on Maintenance is established. It shall include representatives from each Party responsible at managerial level for:

(a) the approval of maintenance organisations;

(b) the implementation of legislation and standards relating to maintenance organisations;

(c) the internal standardisation inspections or quality control systems;

4.1.2. Any other person, as jointly decided by the Parties, who can facilitate fulfilling the mandate of the Joint Sectorial Committee on Maintenance, may be invited to that Committee.

4.1.3. The Joint Sectorial Committee on Maintenance shall establish its own rules of procedure.

4.2. Mandate

4.2.1. The Joint Sectorial Committee on Maintenance shall meet at least once a year to ensure the effective functioning and implementation of this Procedure and shall, inter alia:

(a) evaluate the regulatory changes in the Parties to ensure that the requirements detailed in Appendix B1 of this Procedure remain current;

(b) ensure that the Parties share a common understanding of this Procedure;

(c) ensure that the Parties apply this Procedure in a consistent manner;

(d) resolve any difference on technical issues arising out of the interpretation or the implementation of this Procedure, including differences that may arise out of the interpretation or the implementation of this Procedure;

(e) organise, as appropriate, reciprocal participation by one Party in the other Party's internal standardisation or quality control system; and.

(f) elaborate, as appropriate, proposals for the Joint Committee regarding amendments to this Procedure

4.2.2. Should the Joint Sectorial Committee on Maintenance fail to resolve differences in accordance with subparagraph 4.2.1(d) of this Procedure, it shall report the issue to the Joint Committee and ensure the implementation of the decision reached by that Committee.

5. MAINTENANCE ORGANISATION APPROVAL

5.1. Any maintenance organisation of one Party that has been certified by a Competent Authority of that Party to perform maintenance functions shall be required to have a supplement to its maintenance manual in order to comply with the requirements set out in Appendix B1 of this Procedure. When it is satisfied that the supplement meets the requirements set out in Appendix B1, the said Competent Authority shall issue an approval attesting compliance with the applicable requirements of the other Party and specifying the scope of tasks that the maintenance organisation can perform on aircraft registered in that other party. Such scope of ratings and limitations shall not exceed that contained in its own certificate.

5.2. The approval issued in accordance with Paragraph 5.1 by the Competent Authority of one Party shall be notified to the other Party and shall constitute a valid approval for the other Party without additional action.

5.3. Recognition of an approval certificate pursuant to Paragraph 5.2 shall apply to the maintenance organization at its principal place of business, as well as at its other locations that are identified in the relevant manual and are subject to the oversight of a Competent Authority.

5.4. The Parties may seek assistance from the civil aviation authority of a third country in the fulfilment of their regulatory surveillance and oversight functions when an approval by both Parties has been granted or extended by formal agreement or arrangement with that third country.

5.5. A Party through its Competent Authority shall promptly notify the other Party of any changes to the scope of the approvals it has issued in accordance with Paragraph 5.1, including revocation or suspension of the approval.

6. NON-COMPLIANCE

6.1. Each Party shall notify the other Party of major non-compliances with any applicable legislation or any condition set forth in this Procedure that impairs the ability of an organisation approved by that other Party to perform maintenance under the terms of this Procedure. Following such notification, the other Party shall carry out the necessary investigation and report to the notifying Party on any action taken within 15 working days.

6.2. In case of disagreement between the Parties on the effectiveness of the action taken the notifying Party may require the other Party to take immediate action to prevent the organisation from performing maintenance functions on Civil Aeronautical Products under its regulatory oversight. Should the other Party fail to take such action within 15 working days of the request by the notifying

Party, the powers granted to the Competent Authority of the other Party under this Procedure shall be suspended until the issue is satisfactorily resolved by the Joint Committee, in accordance with the provisions of the Agreement. Until the Joint Committee issues a decision on the matter, the notifying Party may take any measure it deems necessary to prevent the organisation from performing maintenance functions on Civil Aeronautical Products under its regulatory oversight.

6.3. The bodies responsible for communicating under this section 6 shall be the Technical Agents.

7. TECHNICAL ASSISTANCE

7.1. The Parties, where appropriate through their Competent Authorities, shall provide technical evaluation assistance to each other, upon request.

7.2. Types of assistance may include, but are not limited to, the following:

(a) monitoring and reporting regarding continued compliance with the requirements described in this Procedure by maintenance organisations under the jurisdiction of either Party;

(b) conduct of and reporting on investigations; and

(c) technical evaluation.

Appendix B1

Specific Regulatory Requirements

The recognition by one Party of a maintenance organisation under the jurisdiction of the other Party pursuant to section 5 of this Procedure shall be based upon the maintenance organisation adopting a supplement to its maintenance manual which shall, at a minimum, provide the following:

(a) a statement of commitment signed by the current accountable manager that the organisation shall comply with the manual and its supplement;

(b) that the organisation shall comply with the customer work order, taking particular note of requested airworthiness directives, Modifications and repairs and of the requirement that any parts used were manufactured or maintained by organisations acceptable to the other Party;

(c) that the customer issuing the work order has established the approval of the appropriate Competent Authority for any design data for Modifications and repairs;

(d) that the release of Civil Aeronautical Product is in conformity with applicable legislative and regulatory requirements;

(e) that any Civil Aeronautical Product under the jurisdiction of the other Party found in an un-airworthy condition shall be reported to the other Party and customer.