

latter greater rights when they furnish greater service by their larger frequency over the route, by their greater speed and lower prices, taking into consideration for these purposes, the actual elapsed time for the trip from terminal to terminal and the price per passenger mile between said terminals; and

d) To limit the protection to the Chilean carriers designated by our Government to their regional services and to allow them to operate on their more extensive routes in competition with the other international airlines, without prejudice to the protection given to them by reason of bi-lateral air transport agreements with other countries, by the extension of reciprocal rights by other governments in the absence of an agreement and by an adequate distribution of the frequencies in relation to effective traffic demands.

In consideration of the foregoing, the Civil Aeronautics Board, pursuant to the powers conferred upon it by Decree Law No. 241 of 1960.

Resolves:

Article I.—To set forth the following principles in accordance with which new air traffic permits will be authorized as well as the revision of existing permits:

A) *Overflights of the national territory*.—The Board has been, and is, in principle, opposed to the authorization of rights to overfly the national territory in order to avoid the isolation of the country given its geographic position, and to assure the linking of the country with the rest of the world through air services making stops in Chile for commercial purposes.

Despite the foregoing, considering that air transport by its nature tends to ignore the boundaries of countries and to serve the most direct routes, overflights of the national territory will be authorized only to those companies which serve Santiago as a stop in both directions on a regular service. A minimum of three weekly stops in Santiago in each direction will be required of the companies in order for them to gain the right to one overflight and for excesses over this number the following table will apply:

<i>Weekly Stop</i>	<i>Over- flights</i>	<i>Weekly Stop</i>	<i>Over- flights</i>
3 -----	1	8 -----	3
4 -----	1	9 -----	3
5 -----	2	10 -----	3
6 -----	2	11 -----	4
7 -----	2		

B) *Third and Fourth Freedom Traffic*.—With the exception of regional traffic, third and fourth freedom traffics already authorized and those which may be authorized in the future, will be regulated by the necessities for air transport, by the reciprocity of the countries of the companies participating in this traffic may authorize the Chilean companies, and by the provisions of bi-lateral air transport agreements between Chile and other countries;

C) *Fifth Freedom Traffic*.—The Board, with respect to fifth freedom traffic, will apply the same principles set forth above for third and fourth freedom traffic, with the exception of regional traffic, that is to say, that traffic generated between Chile and adjoining countries.