

which are transporting a greater quota than the theoretical quota assigned.

Article II.—Non-regional traffic passengers making “stop-over” in Santiago, and/or Lima, and/or Buenos Aires, as the case may be, will not be counted in the regional traffic quotas providing that the companies so accredit them authentically, in a separate list which should accompany the monthly statistical data.

This list should specify the names of the passengers, the origin of the journey and the final destination, the number of their respective ticket and the place of its issuance.

In the event that the companies do not comply with the foregoing stipulated conditions, all of the passengers manifested between Santiago and Buenos Aires and vice versa as well as Santiago and Lima and vice versa will be considered within the quotas fixed for regional traffic.

Article III.—Within a period of 30 days counting from the date of this resolution, the Board will proceed to fix the theoretical quotas for regional traffic for passengers to and from adjacent countries to be applied beginning October 1, 1961 by the various air enterprises to which they correspond, in accordance with the principles established in Article I of this resolution and using as a base the traffic statistics corresponding to the first six months of the present year.

EXPLANATION OF RESOLUTION No. 902

Board Resolution 902 of August 17, 1961, Issued Pursuant to Article 6 of Decree with force of Law No. 241 of 1960.

I. Principles to be followed in issuing new and revising existing permits.

A. Overflights

One transit flight allowed for 3 or 4 stops in Chile.

Two transit flights allowed for 5, 6 or 7 stops in Chile.

Three transit flights allowed for 8, 9 or 10 stops in Chile.

Four transit flights allowed for 11 stops in Chile.

B. Third and Fourth Freedom Traffic

Non-regional Third and Fourth Freedom will be governed by bilateral agreements and reciprocity.

C. Fifth Freedom Traffic

1. Fifth Freedom traffic will be governed by bilateral agreements and reciprocity except for regional Fifth (i.e., between Chile and *adjoining* countries) which will be divided $\frac{1}{3}$ for Chilean airlines, $\frac{1}{3}$ for airlines of adjoining nations, and $\frac{1}{3}$ for non-regional airlines (called “airlines of third countries”). (Note: three countries adjoin Chile—Argentina, Bolivia and Peru).

2. The $\frac{1}{3}$ will be calculated periodically on the basis of statistics.

3. If an airline does not offer capacity to accommodate the allotted quota, the quota will be reduced to the capacity provided therefor, and the excess will be given to adjoining countries. If not taken by them, the excess will be allotted by the Junta to “third countries”.