

(B) In accordance with the principle of mutual respect for sovereignty over territorial air, each Contracting Party shall designate independently that part of the air route, which Section (A) of this Article prescribes, that passes through its own territory. Entrance and exit points on the common border of the Contracting Parties shall be designated jointly through consultation.

*Article II.* (A) The Government of the People's Republic of China shall designate the "China Civil Aviation Administration" as the air transport enterprise to manage the air route prescribed in Article I of this Agreement. The Government of the Union of Burma shall designate the "Union of Burma Airways Board" as the air transport enterprise to manage the air route prescribed in Article I of this Agreement. The frequency of scheduled flights of the air transport enterprise of each Contracting Party shall not exceed two a week in each direction. Each Contracting Party shall decide for itself as to the date of inauguration of such scheduled flights, provided the other Contracting Party has been notified sixty days prior to such inauguration. Either Contracting Party may request consultation, which shall be conducted on a fair and equal basis, with the other Contracting Party with a view to initiate any change in the schedule of flights.

(B) The right of principal ownership and the right to make final decisions in the management of the designated air transport enterprise shall belong to the government of each Contracting Party.

*Article III.* The designated air transport enterprises of the Contracting Parties, in accordance with the Protocol, which is based on joint needs and mutual benefit, of this Agreement, shall receive fair and equal opportunity and consideration regarding the distribution of business and utilization of service facilities including communication services, navigational aid, meteorological information, accommodations of airports, schedule of flights, rates charged for the carriage of passengers and goods, business agency, transshipment and fiscal matters.

*Article IV.* (A) Rates to be charged for the carriage of passengers, baggage and goods on the designated air route prescribed in Article I of this Agreement, shall be fixed at a reasonable level, with due consideration for all factors including presupposition of economy in operation and expectation of a reasonable amount of profit. The designated air transport enterprises of the Contracting Parties shall establish a uniform minimum standard for rates to be charged on either the whole common air route or on different but equal sections of it.

(B) Minimum rates to be charged on the air route prescribed in Article I of this Agreement or any section of it shall be resolved by the air transport enterprises of the Contracting Parties and ratified by the Contracting Parties. In the event an agreement cannot be reached by the air transport enterprises or in the event the minimum rates agreed upon fail to acquire the required ratification, the Contracting Parties shall devise ways and means through which mutual agreement may be secured. Unless a new decision on minimum rates is reached, the rates in force at that time shall continue to be effective.

*Article V.* Matters concerning the carriage of mail on the designated air route prescribed in Article I of this Agreement shall be dealt with by the postal authorities of the Contracting Parties through negotiation.