

ranted for the improvement or modernization of services and only for the necessary time.

Article 66. The Ministry of Air may assume jurisdiction over, and settle labor conflicts that affect flight discipline, safety of air traffic, or the interests of national defense.

Special regulations shall govern the procedures to be followed in these cases.

CHAPTER XI. AIR TRANSPORTATION

Article 67. Scheduled air transportation shall be deemed commercial transportation if passengers, mail or cargo, for which rates, time schedules, and routes have been issued.

Non-scheduled or irregular air transportation shall be deemed other transportation of a commercial nature not included in the preceding paragraph.

Article 68. Domestic air transportation shall be deemed any transportation made over territories under the sovereignty of the national state of the aircraft, and foreign air transportation shall be deemed any transportation made in whole or in part over territory under the sovereignty of another State. Such transportation shall be called international transportation when it stops at points on foreign territory.

Cabotage traffic shall include all transportation of passengers, cargo or mail between points under Spanish sovereignty, even though it may be necessary to fly over the territory or waters under the jurisdiction of a foreign State.

Article 69. The Ministry of Air shall be in charge of granting or authorizing the establishment or initiation of air services and of exercising the inspection necessary to assure compliance with the conditions under which the grant or authority was given.

Article 70. Scheduled air transportation services may be undertaken by organizations or individuals after obtaining the required authorization, which shall not be issued for a period longer than fifteen years. Such period may be extended.

Article 71. Cabotage services shall be reserved to national companies.

Article 72. Scheduled carriers may only fly over routes established in the grants. In order to carry out non-scheduled flight, express authorization of the Director General of Civil Aviation shall be necessary.

Article 73. The grants of scheduled carriers for specific routes or for networks of routes shall be granted to carriers of Spanish nationality and through public bidding, unless reasons of national interest or of better operation of the transportation make it inadvisable in the discretion of the Council of Ministers.

Article 74. Grantees must be of Spanish nationality, have adequate financial and technical means, and insured by a sufficient guarantee the risks arising out of such services during the validity of the grant.

When the grantee of a scheduled air service is a legal person, at least three-fourths of its capital and of its directors must be of Spanish nationality.

Article 75. If the capital of a corporate grantee is represented by stock, the shares shall be nominative.

Article 76. The Ministry of Air shall supervise the grantee carriers in the form and under the conditions established in the grant itself, in order to carry out the inspection mentioned in Article 69 hereof.