

*Article 77.* The operation of scheduled air services may be subsidized by the State which shall determine the conditions of such subsidy.

*Article 78.* These grants shall be issued by the Ministry of Air, and they shall be approved by the Council of Ministers.

*Article 79.* Non-scheduled air transportation may be undertaken by individuals or organizations after having been duly authorized by the Ministry of Air and subject to its inspection, whether or not they are the grantees of other transportation services.

Authorizations shall be granted for a period of not less than one year and not more than ten years. Such authorizations may be extended.

*Article 80.* In order that the Ministry of Air may issue the authorization mentioned in the preceding article, it shall be necessary for the applicant to comply with the following conditions:

1. The applicant must be a Spaniard, and if the applicant is an organization, its capital must be either entirely national or foreign capital therein must not exceed 25 per cent of the national capital. Corporations shall issue all their stock in nominative shares.

2. He must certify as to the availability of the equipment which is required in each case to render the service.

3. He must deposit a bond in an amount to be determined in each case by the General Director of Civil Aviation.

4. The directors and the flight personnel of the carrier must be Spanish nationality and possess the qualifications required by this Law.

*Article 81.* The authorization mentioned in the two preceding articles shall permit operation of domestic air transportation, with points of arrival and departure on Spanish territory, after having obtained the necessary technical permits. For foreign air transportation it shall be necessary in all cases to obtain a special authorization issued by the General Director of Civil Aviation.

Between cities connected by scheduled air carriers unscheduled services shall be authorized only to a carrier or carriers who are grantees of scheduled routes. This service may, nevertheless, be authorized to a different carrier when the demand for transportation of passengers or cargo so warrants in the judgment of the aviation authorities, and when it is not sufficiently covered by the carrier providing scheduled services. Other than in this exceptional case, non-scheduled transportation may be provided along scheduled routes only between those points which are not already serviced by such scheduled carriers.

*Article 82.* The Ministry of Air shall establish annually maximum rates for non-scheduled domestic transportation and such rates may not be less than those authorized for scheduled services.

*Article 83.* Foreign aircraft may not carry out cabotage transportation.

*Article 84.* The Ministry of Air may grant permission for special flights or commercial test flights for periods not to exceed three months.

*Article 85.* The Spanish State shall have priority in acquiring, at the termination of the grant, the properties and rights used by the grantee in his public air transportation service.

*Article 86.* International air transportation, whether Spanish or foreign, may be scheduled, non-scheduled or tourist charter.