

Final
Agreed

MEMORANDUM OF UNDERSTANDING

The delegations representing the Government of India and the Royal Government of Bhutan met in Thimphu on 27 April 2012, for discussions on air services matters. The consultations were held in a friendly and cordial atmosphere.

2. The list of the delegation is attached at Appendix 'A'

Route Schedule

3. On the request of the Bhutanese delegation, it was agreed that Singapore shall be allowed as an additional beyond point on Route 2 of Route Schedule for the designated airlines of Bhutan.
4. On the request of the Bhutanese side, it was also agreed that while operating the agreed services, the designated airlines of either side shall be allowed to serve two points on the same flight in the territory of the other Party within the points of call allowed in their respective Route Schedules, without exercising cabotage rights.
5. Accordingly, a revised Route Schedule is attached as Appendix 'B'.

Capacity Entitlements

6. It was agreed that the designated airlines of either side shall be entitled to operate any number of services with any type of aircraft of capacity not exceeding that of a B747-400, on 3rd/4th freedom sectors specified in their respective Route Schedules – given as Appendix B.
7. With regard to the exercise of 5th freedom traffic rights, it was agreed that:
- i) The designated airlines of India and Bhutan may exercise unlimited 5th freedom traffic rights to/from any intermediate and/or beyond points within the SAARC Region.
 - ii) Except to/from points in the SAARC Region, as provided in subparagraph (i) above, the designated airlines of Bhutan shall not exercise 5th freedom traffic rights on more than:
 - a) fourteen (14) services per week each on Route 1 and Route 5
 - b) fourteen (14) services per week each to/from Bangkok and Singapore and seven (7) services per week to/from Yangon on Route 2
 - c) seven (7) services per week on Route 6.

8. It was agreed that Para 4 and 5 above shall supersede Para 5 (i) to (vi) of the inter-Governmental Memorandum of Understanding of 23 July 2008.

Co-operative Services Arrangements

9. With reference to Article 12 of the India/Bhutan Air Services Agreement signed on 22 December 2009, the two delegations agreed that the designated airlines of either Party may also enter with the designated airlines of the other Party into cooperative marketing arrangements on services beyond the point(s) of entry to another point as specified in the respective Route Schedules within the territory of the other Contracting Party (domestic code share), without exercising cabotage rights.

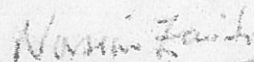
Miscellaneous

10. This Memorandum of Understanding shall supersede all the previous Memoranda of Understanding on civil aviation matters to the extent applicable and shall come into force with immediate effect.

Done at Thimphu on the 28th April 2012.



(Dasho Kinley Dorji)
Leader of the Bhutanese delegation



(Nasim Zaidi)
Leader of the Indian delegation

Appendix 'A'Bhutanese Delegation

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|----|--|--------|
| 1. | Dasho Kinley Dorji
Secretary
Ministry of Information & Communications | Leader |
| 2. | Mr. Karma Wangchuck
Jt. Director, Airport Services Division
Department of Civil Aviation (DCA) | Member |
| 3. | Mr. Chewang Gyeltshen
Chief of Airworthiness/ International Relations (DCA) | Member |
| 4. | Mr. Thinley Dorji
Planning Officer, Policy & Planning Division (MOIC) | Member |
| 5. | Mr. Tenzin R. Wangchuck
Chief, Asia & Pacific Division
Ministry of Foreign Affairs | Member |
| 6. | Mr. Wangchuck Dorji
Chairman, Tashi Air Pvt. Ltd | Member |
| 7. | Mr. Tandin Jamsho
Chief Executive Officer
Drukair Corporation Ltd. | Member |
| 8. | Mr. Tshenchok Thinley
Dy. Chief Executive Officer
Tashi Air. Pvt Ltd | Member |
| 9. | Mr. Tshering Penjor
General Manager, Commercial
Drukair Corporation Ltd. | Member |

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LIST OF INDIAN DELEGATION

1. Dr. Nasim Zaidi
Secretary
Ministry of Civil Aviation
Leader
2. Shri Prashant Sukul
Joint Secretary
Ministry of Civil Aviation
Member
3. Mr. A.K. Harbola
Dy. Director (R&I)
Office of Director General of
Civil Aviation
Member
4. Mrs Madhu A Shroff
Asst. General Manager-Alliance Management
& International Relations
Air India
Member
5. Mr. Piyush Srivastava
Counselor
Indian Embassy, Thimphu
Member
6. Mr. Ravi Jain
Attache, Economics
Indian Embassy, Thimphu
Member

Appendix 'B'**ANNEX****Route Schedule****Section I**

Routes for the airlines designated by the Royal Government of Bhutan

Points of Origin (1)	Intermediate Points (2)	Points in India (3)	Beyond Points (4)
<u>Route 1</u> Points in Bhutan	Any point in the SAARC Region	Delhi, Mumbai, Chennai	Any point in the SAARC Region, Bangkok, Singapore
<u>Route 2</u> Points in Bhutan	Any point in the SAARC Region	Kolkata	Any point in the SAARC Region, Bangkok, Yangon, Singapore
<u>Route 3</u> Points in Bhutan	Any point in the SAARC Region	Hyderabad, Bangalore	Any point in the SAARC Region
<u>Route 4</u> Points in Bhutan	Any point in the SAARC Region	Bagdogra	Any point in the SAARC Region, Bangkok
<u>Route 5</u> Points in Bhutan	Any point in the SAARC Region	Gaya	Any point in the SAARC Region, Bangkok, Yangon
<u>Route 6</u> Points in Bhutan	Any point in the SAARC Region	Guwahati	Any point in the SAARC Region, Bangkok

Points of Origin (1)	Intermediate Points (2)	Points in India (3)	Beyond Points (4)
Route 7 Points in Bhutan	Any point in the SAARC Region	Ahmedabad, Amritsar, Aurangabad, Bhubaneswar, Calicut, Cochin, Goa, Jaipur, Khajuraho, Lucknow, Patna, Port Blair, Thiruvananthapuram, Tiruchirapalli, Varanasi, Visakhapatnam	Any point in the SAARC Region

Section II

Routes for the airlines designated by the Government of the Republic of India

Points of Origin (1)	Intermediate Points (2)	Points in Bhutan (3)	Beyond Points (4)
<u>Route 1</u> Points in India	Any point in the SAARC Region	Any Point	Any point in the SAARC Region
<u>Route 2</u> Ahmedabad, Amritsar, Aurangabad, Bhubaneswar, Calicut, Cochin, Gaya, Goa, Guwahati, Jaipur, Khajuraho, Lucknow, Patna, Port Blair, Thiruvananthapuram, Tiruchirapalli, Varanasi, Visakhapatnam	Any point in the SAARC Region	Any Point	Any point in the SAARC Region

Section III

1. Points mentioned in Section I and Section II need not necessarily be served in the order named.
2. Intermediate and beyond points on the specified routes may at the option of the designated airline(s) be omitted on any or all flights.
3. Intermediate and/or beyond points not specified in Section I and Section II may be served provided no 5th freedom traffic rights are exercised between such points and any point in the territory of the other Party.
4. Within the points of call allowed in Column (3), two points in the territory of the other Party may be served on the same flight by the designated airline(s) of the other Party.