Agreement on the Establishment of the Baltic Functional Airspace Block between:

The Republic of Poland
and
The Republic of Lithuania,

hereinafter called “the Contracting Parties”,

Having regard to the fact that the Single European Sky (SES) initiative was launched in order to enhance current air safety standards, to contribute to the sustainable development of the air transport system and to improve the overall performance of air traffic management and air navigation services for general air traffic in Europe, with a view to meeting the requirements of all airspace users;


Taking into account results of the Feasibility Studies for the establishment of the Baltic Functional Airspace Block (Baltic FAB);

Considering the joint Letter of Intent on the co-operation with regard to the development of a Baltic Functional Airspace Block Initiative signed on 29th of July 2010 in Vilnius, Lithuania;

Considering that close cooperation between Air Navigation Services Providers and respective air defence and tactical air command and control units meets the needs of civil and military airspace users in Baltic FAB area;
Willing not to limit SES to the European Union Member States only and to support its application to the countries which are not members of the European Union;

Whereas, by creating Baltic FAB regardless of existing boundaries, the Contracting Parties aim to achieve maximum capacity, effectiveness and efficiency of the air traffic management network while maintaining a high level of safety;

Expressing their will to cooperate in the SES implementation so that its objectives can be achieved and airspace users may benefit from its implementation;

Recognizing that the conclusion of the Agreement regarding the establishment and implementation of the Functional Airspace Block shall not prejudice the principle that every Contracting Party has complete and exclusive sovereignty over the airspace above its territory and the capacity of every State to exercise its prerogatives with regard to security and defence in its national airspace;
Respecting the conditions stemming from regional agreements concluded with the International Civil Aviation Organization (ICAO) and respecting regional agreements in existence on the date of entry into force of the Service Provision Regulation;

Recognizing that the National Supervisory Authority of each Contracting Party shall establish appropriate arrangements for a close cooperation, to ensure an adequate oversight of Air Navigation Service Providers;

Aiming at the creation of the legal and institutional basis for the Baltic FAB to be established by the Contracting Parties;

Respecting that the Baltic FAB establishment is without prejudice to the Flight Information Regions (FIRs) as recognized by the ICAO and that the Contracting Parties will retain the responsibilities towards the ICAO within the geographical limits of the FIRs entrusted to them by ICAO,

conclude the following Agreement.
CHAPTER 1: GENERAL PRINCIPLES

Article 1
Definitions and abbreviations

Unless otherwise stated, terms used in this Agreement shall have the same meaning attributed to them as in the Regulations on the SES in force in the Contracting Parties. For the purpose of this Agreement, the following definitions and abbreviations shall apply:

1) "Agreement" means this Agreement and any amendments thereto, unless otherwise indicated;
2) “Airspace concerned” means the airspace over the territories of the Contracting Parties and the airspace under their responsibility in accordance with the International Civil Aviation Organization (ICAO) rules, as defined in Article 4 of this Agreement;
3) “AIP” means Aeronautical Information Publication;
4) "AIS" means Aeronautical Information Services;
5) “ANS” means Air Navigation Services;
6) “ANSP” means Air Navigation Service Provider;
7) “ATS” means Air Traffic Services;
8) “ASAR/SAR” means Aeronautical Search and Rescue/Search and Rescue,
9) “Baltic FAB” means the Functional Airspace Block established by the Contracting Parties under this Agreement;
10) "Chicago Convention" means the Convention on International Civil Aviation, signed at Chicago on 7 December 1944, and shall include: any amendment ratified by the Contracting Parties and applied under Article 94 a) of the Convention and any Annex or amendment adopted under Article 90 of the Convention, insofar as any international standards as referred to in Article 37 of the Convention and contained in such Annex or amendment are in force for all the Contracting Parties;
11) "CNS" means communication, navigation and surveillance services;
12) “FIR” means Flight Information Region;
13) “MET services” means aeronautical meteorological services;
14) “NSA” means National Supervisory Authority;
15) “Operational air traffic” means the flights that do not comply with the provisions laid down for general air traffic and for which rules and procedures have been specified by the appropriate national authorities. Operational air traffic may include civil flights such as test flights, which require some degree of deviation from ICAO rules in order to satisfy their operational requirements;
16) “State aircraft” shall be deemed to mean the aircraft used in the military, customs, and police services;
17) “Tactical air control service” means the military provision of support to Operational Air Traffic in order to accomplish the assigned mission and to ensure that sufficient spacing is maintained between aircraft at any time;
18) “Third party” means any entity or body involved in the provision of air navigation services in the airspace of the Contracting Parties or in the Baltic FAB airspace;
19) “UIR” means Upper Flight Information Region.
Article 2
Subject of this Agreement

The aim of this Agreement is to establish the Baltic FAB and to define rights and obligations of the Contracting Parties, taking into consideration need for coordination of activities and future development of the Baltic FAB.

Article 3
Baltic FAB establishment

1. This Agreement establishes the Baltic FAB.

2. This agreement shall apply to the Baltic FAB airspace said in paragraph 1 of the Article 4.

3. This Agreement does not create an international organization with international legal personality.

4. This Agreement defines the general conditions and the governance of the Baltic FAB under which the Contracting Parties have to ensure air traffic management and the provision of ANS in the airspace concerned.

5. This Agreement defines the framework within which the specific agreements and/or arrangements covering fields of the ANSPs, NSAs, Military Authorities, civil–military cooperation and other necessary arrangements required to realize this agreement and Baltic FAB development should be concluded.

Article 4
Baltic FAB scope

1. Under this Agreement Baltic FAB airspace is composed of the following FIR:
   1. Vilnius FIR;
   2. Warszawa FIR;

   as described in respective AIP based upon appropriate ICAO documents.

2. Baltic FAB is established for an indefinite period.

Article 5
Sovereignty

1. This Agreement shall be without prejudice to the complete and exclusive sovereignty of the Contracting Parties over the airspace above their territory. In case a FIR or UIR extends into the airspace over the territory of the other Contracting Party, the sovereignty of the Contracting Party concerned to that portion of the airspace over its territory shall be not affected.

2. Nothing in this Agreement shall prejudice or affect the rights and obligations of the Contracting Parties either under the Chicago Convention or under other international agreements to which either of them is a party.
Article 6
Security and Defence

1. The provisions of this Agreement shall be without prejudice to the competencies of the Contracting Parties relating to security and defence, and to the effective implementation of NATO decisions and/or other possible arrangements on air surveillance, control and defence.

2. If the competent authorities of one Contracting Party deem necessary, they can enter arrangements in writing with the competent authorities of another Contracting Party for the effective civil-military or military-military cooperation within the Baltic FAB.

Article 7
State aircraft

1. Unless otherwise agreed or regulated, Article 3 c) of the Chicago Convention remains fully applicable to State aircraft.

2. Each Contracting Party shall establish simplified procedures for issuing permissions for the flights of the state aircrafts of the other Contracting Party to/from or over its territory and permissions to conduct military operations, participate in training and exercises without prejudice to the national security and defence interests, and the constitutional provisions of the Contracting Parties.

3. In order to implement this Agreement, the Contracting Parties shall strive to ensure the compatibility of the procedures and rules for the state aircraft flights in the areas as specified in paragraph 1 of Article 9 of this Agreement with those determined in the neighbouring functional airspace blocks.

Article 8
Objective of the Baltic FAB

The Contracting Parties agree that the fundamental objective of the Baltic FAB is to achieve optimal performance in the areas relating to safety, flight efficiency, capacity, reduction of the negative impact on environment, cost-efficiency and to contribute to military mission effectiveness by the design of airspace and the organization of air traffic management in the airspace concerned regardless of the existing boundaries of the Contracting Parties.

Article 9
Commitments of the Contracting Parties

1. To achieve the objective of the Baltic FAB the Contracting Parties commit to cooperate and to take the appropriate measures, in accordance with their national laws and regulations, in particular in the following areas:

   1) airspace design and use;
   2) harmonization of rules and procedures;
   3) provision of ANS;
4) civil-military cooperation;
5) charging;
6) supervision of ANSPs;
7) performance;
8) governance of the Baltic FAB.

2. The Contracting Parties shall ensure the implementation of this Agreement.

3. To achieve the objective of Baltic FAB the Contracting Parties shall:

1) implement the decisions taken by the Baltic FAB Council and the Baltic FAB Board;

2) act in a good faith and make their best efforts to establish or to change all the necessary national laws and regulations, rules and procedures taking into consideration general framework defined by this Agreement;

3) cooperate to harmonize the substantive national rules and procedures relevant to Baltic FAB and consult one another on a regular basis with a view to identifying differences between their respective laws and regulations, rules and procedures having an impact on Baltic FAB to seek the maximum achievable compatibility.

4. The Contracting Parties shall ensure that any difference that remains or occurs shall under no circumstances compromise or have negative influence on flights safety or efficiency of the service provision within the Baltic FAB.

5. The Contracting Parties shall ensure that implementation of this Agreement would not have any negative impact on the safe and effective conduct of military operations, training and exercises.

CHAPTER 2: AIRSPACE

Article 10
Baltic FAB Airspace

1. To achieve the objective of Baltic FAB set out in Article 8 the Contracting Parties shall jointly design airspace structures and ensure the management of a seamless airspace and a coordinated air traffic flow and capacity management, taking due account of collaborative processes of the Contracting Parties at international level.

2. Contracting Parties are obliged to cooperate in particular to:

1) design the structure of the airspace concerned to allow defragmentation and dynamic sectorization to establish areas for cross-border operations;

2) examine airspace modifications affecting the performance at Baltic FAB level;
3) develop a common policy on the use of airspace, in close cooperation between civil and military authorities.

3. The Contracting Parties shall coordinate their works with appropriate international authorities and bodies and consult the airspace users, if necessary.

**Article 11**

**Flexible use of airspace**

1. According to the Article 9 and Article 10 and to achieve the objective of the Baltic FAB set out in Article 8 of this Agreement, the Contracting Parties shall cooperate at legal, operational and technical level for the efficient and consistent application of the Flexible Use of Airspace concerned taking into account both civil and military requirements.

2. The Contracting Parties shall ensure that common agreements and procedures are set up between appropriate ATS providers and that civil and military authorities coordinate activities over their territory and cross border areas as necessary at the strategic level of the airspace management.

3. The Contracting Parties shall ensure that pre-tactical and tactical levels are managed respectively at ATS provider level by coordination between the appropriate ATS units.

**CHAPTER 3: PROVISION OF AIR NAVIGATION SERVICES**

**Article 12**

**Air navigation services**

1. The Contracting Parties shall ensure the provision of the following ANS:

   1) air traffic services (ATS);
   2) communication, navigation and surveillance services (CNS);
   3) aeronautical information services (AIS);
   4) meteorological services (MET);

   and provision of:

   5) search and rescue (SAR) coordination.

2. The AIP of the Contracting Parties shall indicate ANSPs in Baltic FAB and define the airspace under their responsibility, appropriate competent authorities of each Contracting Party involved in the Baltic.

3. Where ANSPs wish to avail themselves of the services of other certificated service providers their written arrangements formalizing their working relationships shall be notified to the NSAs functioning within the Baltic FAB. With respect to the provision of designated ATS or MET services, those arrangements shall be subject to the approval of the Contracting Parties.
Article 13
Air traffic services

1. The Contracting Parties ensure by a common instrument or based on the agreed procedures the designation of the ATS provider(s) of the airspace concerned. The rules set out in the previous sentence also include the aerodrome flight information service, ATS limited to a control zone of aerodromes and ATS under military supervision provided by the ATS provider(s) of the airspace concerned.

2. Each Contracting Party shall be entitled to designate, and repeal or amend such designation of, one or more ATS provider(s) to provide ATS in its applicable airspace, wholly or partially. Such designation, repeal or amendment shall be notified to the other Contracting Party in writing. Any ATS provider designated under this paragraph shall be deemed jointly designated by Contracting Parties as from the date of the receipt of notification of the designation by the other Contracting Party until any amendment or repealing as defined in this paragraph.

3. The Contracting Parties whose airspace is concerned by agreements between ATS providers, either designated or not designated under this Agreement, on the provision of ATS shall remain solely responsible for approval of such agreements. Contracting Parties shall be free to enter into appropriate arrangements or agreements with respect to granting such approval.

4. Each Contracting Party, intending to delegate the responsibility for providing ATS in the Baltic FAB airspace to the Third party, shall ensure that it continues to comply with all provisions of this Agreement.

5. Paragraph 1 and 2 of this Article shall apply without prejudice to arrangements or agreements concluded before the entry into force of this Agreement related to the provision of ATS.

6. The Contracting Parties shall:

   1) encourage close cooperation between their ATS providers at national level;
   2) inform immediately one another of any change in the terms of certification or in the legal status of the designated ATS providers;
   3) exchange the information concerning the rights and obligations of the designated ATS providers at national level.

7. The Contracting Parties shall jointly inform the European Commission and the other European Union Member States of any decision taken under this Article concerning the designation of ATS provider(s) of the airspace concerned.
Article 14
Communication, navigation and surveillance services

The Contracting Parties shall work towards common technical systems and the cost efficient deployment of infrastructure for the provision of CNS services by ANSP of the Contracting Parties by joint designing, purchasing, deployment, operation and maintenance of CNS infrastructure, systems and equipment.

Article 15
Aeronautical information service

1. The Contracting Parties shall coordinate the provision of AIS.

2. AIS may be provided by the Contracting Party on behalf of another Contracting Party for the purpose of contingency.

3. Competent authorities and AIS providers shall make appropriate arrangements.

Article 16
Meteorological services

1. Each Contracting Party may designate the provider of the MET services on an exclusive basis and shall notify the Baltic FAB Board or may jointly designate on the agreed procedures the provider(s) of the MET services for the Baltic FAB.

2. If the Contracting Parties designate the providers of the MET services on an exclusive basis each of them shall ensure cooperation among providers of the MET services.

3. To provide MET services, the competent authorities and ANSPs providing MET services shall make appropriate arrangements.

4. The Contracting Parties shall inform the European Commission and the other Member States of the European Union about any decision taken under this Article regarding designation of the MET services in the respective airspace.

Article 17
Search and Rescue

1. Each Contracting Party organizes and maintains its ASAR/SAR system according to its national laws and regulations.

2. Contracting Parties shall ensure that common agreements on ASAR/SAR systems are concluded allowing cooperation to the most practical extent. These agreements shall take into account the Baltic FAB arrangements concerning possible ATS delegation.
Article 18
Relations between service providers

1. To execute provisions of Article 3 paragraph 4 of this Agreement the ANSPs of the Contracting Parties are authorized to formalize the relationships necessary for the Baltic FAB purposes.

2. The formalization of the relationships between the ANSPs set out in paragraph 1 of this Article shall be done by the written agreements or equivalent legal arrangements concerning functions, tasks and services to be provided in the airspace concerned.

3. Any of these agreements or equivalent legal arrangements between the ANSPs shall be consulted with the Baltic FAB Board and then notified to the Baltic FAB Council and competent authorities of the Contracting Parties.

Article 19
Relations between ANSPs and Third parties

1. In case the ANSP of the Contracting Party desires to conclude the agreements or equivalent legal arrangements concerning the provision of ATS by designated ANSP of the state, which is not the Contracting Party, such agreement or equivalent legal arrangement shall be notified to the Baltic FAB Board and the respective Contracting Parties shall ensure that such agreement or equivalent legal arrangement does not affect this Agreement.

2. Contracting Parties may conclude an agreement with Third parties jointly or separately for the purpose of realization of its/their tasks.

CHAPTER 4: CIVIL–MILITARY and MILITARY–MILITARY COOPERATION

Article 20
Military activities

1. The provisions of this Agreement shall be without prejudice to the Contracting Parties’ national requirements relating to public order, security and defence interests and each Contracting Party shall be entitled to apply any measure to safeguard its interests of national security and defence.

2. With due regard to the Flexible Use of Airspace principles and in accordance with existing national arrangements related to civil-military and military-military cooperation and applicable international agreements, the competent authorities of the Contracting Parties may conclude written arrangements to enable state aircraft to conduct military operations, training and exercises in the respective airspace regardless of the existing common boundary between the Contracting Parties.

3. The Contracting Parties shall allow the provision of cross-border ATS to state aircraft operating as general air traffic as well as operational air traffic by the appropriate
ATS provider of the other Contracting Party pursuant to appropriate written arrangements notified to the Baltic FAB Board.

4. The Contracting Parties concerned may allow the provision of tactical air control services to operational air traffic by the air defence units and tactical air command and control service units of the other Contracting Party concerned (including other air command and control units of the NATO Integrated Air Defence System, responsible for providing tactical air command and control over the territory of the other Contracting Party concerned) pursuant to appropriate written arrangements notified to the Baltic FAB Board.

5. For the provision of cross-border services in the airspace concerned, the Contracting Parties shall encourage close cooperation between the appropriate ANSPs and the respective air defence and tactical air command and control service units.

6. The Contracting Parties shall strive to harmonize the relevant civil and military arrangements to facilitate civil-military cooperation, including safety, national security and defence.

CHAPTER 5: CHARGING

Article 21
Charging

1. The Contracting Parties shall aim, at application of a single unit rate for en-route traffic in the airspace concerned and strive to establish a common charging zone in the airspace concerned.

2. For the purpose set out in paragraph 1 of this Article and prior to the introduction and the application of a single unit rate for en-route traffic in the airspace concerned, Baltic FAB Board shall:

   1) develop and apply common principles governing charging policy within the airspace concerned, taking into account the possibility of national exemptions;
   2) coordinate their unit rates for en-route traffic in the airspace concerned;
   3) decide on the introduction of, the conditions for and the application of a single unit rate for en-route traffic in the airspace concerned and the establishment of a common charging zone in the airspace concerned;
   4) jointly propose single unit rate for en-route traffic in the airspace concerned to the relevant European Organisation for the Safety of Air Navigation (EUROCONTROL) body for approval.

3. The Contracting Parties shall, in particular:

   1) execute jointly the necessary obligations associated with a common charging zone for en-route traffic in the airspace concerned;
   2) make appropriate arrangements to ensure consistency and uniformity in the application of the rules and regulation(s) on charging;
   3) ensure as appropriate the joint cooperation with EUROCONTROL.
CHAPTER 6: SUPERVISION

Article 22
Supervision

1. The Contracting Parties shall ensure that the NSAs closely cooperate on the supervision of the ANSPs within the Baltic FAB and that their practices are harmonized. For that cooperation, NSAs conclude an agreement.

2. The NSA which certified the ANSP providing cross-border services in the airspace concerned is in charge of the supervision of that ANSP in close cooperation with the NSA of the other Contracting Party.

3. In case the Contracting Party over the territory of which the ANS referred to in paragraph 2 of this Article are provided requires that its own NSA exercises supervision, the NSAs of the Contracting Parties shall agree on the terms and conditions of such supervision.

4. The Contracting Parties shall ensure that their NSAs set up a common mechanism for exchange of information, consultation and coordination for cross-border service provision to ensure that necessary corrective measures will be taken without delay and that the decisions taken in accordance with this Article will be enforced.

CHAPTER 7: PERFORMANCE

Article 23
Performance

1. The Contracting Parties shall implement the Baltic FAB performance scheme and apply the Baltic FAB performance plan consistent with the EU-wide performance targets and taking into account military needs. The Baltic FAB performance plan shall be subject to consultation with the stakeholders concerned.

2. The Baltic FAB performance plan shall be jointly developed by NSAs of the Contracting Parties, and approved by the Baltic FAB Board. This performance plan shall:

1) include Baltic FAB performance targets for at least the following key performance areas: safety, environment, capacity, cost-efficiency, flight efficiency;
2) define a set of clear and measurable key performance indicators for the key performance areas for a defined reference period;
3) include a Baltic FAB incentive scheme.

3. The Baltic FAB Board shall:

1) set performance targets at Baltic FAB level and coordinate the national performance plans' preparation and implementation;
2) decide on the implementation and elements of the Baltic FAB
4. The Baltic FAB Board, on behalf of the Contracting Parties, shall perform regular reviews of the implementation of the Baltic FAB performance targets periodical assessments of the project and functioning of the Baltic FAB performance scheme and, if necessary shall relay to the NSAs of the Contracting Parties conclusions related to the corrective measures to be taken.

CHAPTER 8: GOVERNANCE

Article 24
Baltic FAB Council

1. The Baltic FAB Council is composed of the following representatives designated by each Contracting Party:

   1) Minister responsible for civil aviation or person duly authorized by Minister responsible for civil aviation to act on behalf of the Minister;
   2) Minister responsible for national defence or person duly authorized by Minister responsible for national defence to act on behalf of the Minister;
   3) Head of NSA or person duly authorised to act on behalf of the head of NSA;
   4) Chief Executive Officers of designated ANSPs of Contracting Parties providing en-route services in airspace concerned or person duly authorized by Chief Executive Officers of designated ANSP of Contracting Parties providing en-route services in airspace concerned to act on behalf of the Chief Executive Officers.

2. Other participants may also attend as observers by invitation of the Baltic FAB Council.

3. The Baltic FAB Council shall be alternately chaired by one of the Contracting Parties. Term of the chair shall be 12 months, first term starts on the day when this Agreement enters into force. First chairperson shall be the representative of Lithuania as per Paragraph 1 point 1) of this Article.

4. The decisions of the Baltic FAB Council shall be taken by a unanimous vote. Each Contracting Party shall have one vote. Minutes shall be kept of all meetings of the Baltic FAB Council.

5. The rules of procedure, adopted by the Baltic FAB Council shall set out the arrangements in particular for the convening of meetings, its financial issues, the prior dispatch of the agenda and related documents, if appropriate, the voting and meeting procedures, including the possibility of taking decisions by correspondence or other electronic means.

6. The Baltic FAB Council shall meet when required at least twice a year by the invitation of its Chairperson. Each member to the Baltic FAB Council shall be entitled to request the convening of a meeting.
7. The Baltic FAB Council shall take decisions in order to:

1) ensure the implementation of this Agreement and the fulfilment of the objectives of the Baltic FAB in general;
2) support the harmonization of the substantive national rules and procedures;
3) facilitate the joint designation process of the ANSPs;
4) approve of the Contracting Parties positions with regard to the application of international agreements regarding in particular the work of the ICAO, EUROCONTROL, the European Commission, the European Aviation Safety Agency and joint undertakings in the field of air traffic management and ANS;
5) propose to the appropriate authorities of the Contracting Parties the accession of a state to this Agreement and take the necessary actions.
6) define strategic objectives for the development of the Baltic FAB;
7) perform other duties related to the SES legislation.

8. The Baltic FAB Council shall establish the Baltic FAB Management Office (further as Baltic FAB MO).

9. The Baltic FAB MO shall support the Baltic FAB Board and FAB related activities. The proceedings of the Baltic FAB MO are financed from charges for ANS and target contributions of international organisations, financial institutions as well as other legal persons. Working arrangements for the Baltic FAB MO shall be adopted by the Baltic FAB Board. The Contracting Parties shall ensure that the Baltic FAB MO has adequate resources to fulfil allocated tasks and to provide support to the Baltic FAB Board as required.

**Article 25**

**Baltic FAB Board**

1. The Baltic FAB Board is composed of the following representatives designated by the each Contracting Party:

1) Person duly authorized by Minister responsible for civil aviation to act on behalf of the Minister,
2) Person duly authorized by Minister responsible for national defence to act on behalf of the Minister,
3) Person duly authorised by the head of NSA to act on behalf of NSA,
4) Person duly authorized by Chief Executive Officers of designated ANSP of Contracting Parties providing en-route services in airspace concerned to act on behalf of the Chief Executive Officer.

2. Other participants may also attend as observers by invitation of the Baltic FAB Board.

3. The Baltic FAB Board shall be alternately chaired by one of the Contracting Parties. Term of chairmanship shall be 12 months, first term starts on the day when this Agreement enters into force. First chairperson shall be the representative of Poland in accordance with paragraph 1 point 1) of this Article.
4. The decisions of the Baltic FAB Board shall be taken by a unanimous vote. Each Contracting Party shall have one vote. Minutes shall be kept of all meetings of the Baltic FAB Board.

5. The rules of procedure, adopted by the Baltic FAB Board shall set out the arrangements in particular for the convening of meetings, its financial issues, the prior dispatch of the agenda and related documents, if appropriate, the voting and meeting procedures, including the possibility of taking decisions by correspondence or other electronic means.

6. The Baltic FAB Board shall meet when required but at least twice a year by the invitation of its Chairperson. Each member of the Contracting Party designated to the Board shall be entitled to request the convening of a meeting.

7. The Baltic FAB Board is tasked with taking decisions expressed in this Agreement and in order to realize the following objectives:

1) manage the implementation of this Agreement and the fulfilment of the objectives of the Baltic FAB in general;
2) define development of the civil and military cooperation;
3) agree on a common design and policy for the airspace concerned;
4) define the cooperation on the application of the Flexible Use of Airspace;
5) approve the arrangements for the provision of air traffic services in the airspace concerned;
6) adopt the charging policy applicable in the airspace concerned and aim to set the single unit rate for en-route traffic in the airspace concerned after the first reference period of the performance scheme;
7) ensure the implementation of a common overall Safety Management System;
8) approve the arrangements for the supervision of the ANSPs by the NSAs;
9) assess the results achieved and take appropriate measures if required;
10) decide and approve the performance plan and the related performance targets;
11) adopt its rules of procedure and those of the committees and working groups;
12) set up committees other than those established by this Agreement and working groups to assist it in specific matters and approve the proposals of the committees and working groups;
13) ensure the coordination of the Baltic FAB with adjacent functional airspace blocks and states;
14) coordinate the positions of the Contracting Parties with regard to the application of international agreements and legislation regarding in particular the work of the ICAO, EUROCONTROL, the European Commission, the European Aviation Safety Agency and joint undertakings in the field of air traffic management and ANS;
15) facilitate the settlement of disputes arising between the Contracting Parties;
16) take the necessary measures in the event of the withdrawal of the Contracting Party;
17) propose amendments to this Agreement;
18) ensure the consultations involving ANSPs, airspace users and other stakeholders where appropriate;
19) decide on other issues as tasked by the Contracting Parties, or proposed by the designated Baltic FAB Board member.
8. Decisions of the Baltic FAB Board shall become effective two months after the day of their adoption, unless the Contracting Party informs the Baltic FAB Board within two weeks of the adoption decision that it can implement the decision only with the agreement or approval or any other decision of its government bodies in accordance with the national laws and regulations. In such case, the decision shall become effective on the next working day after informing the other Contracting Party that the above-mentioned agreement, approval or other decision had been obtained unless otherwise stated in the above mentioned decision.

**Article 26**

**Committees and Working Groups**

1. In order to meet the objective of Baltic FAB and to assist the Baltic FAB Board the committees and working groups may be established by the Baltic FAB Board which shall be composed of civil and military experts appointed by the Contracting Parties.

2. Persons other than experts referred in paragraph 1 of this Article may attend meetings of the committees and working groups as observers:

   1) by invitation of the Baltic FAB Board;
   2) by invitation of the committee or working group on prior approval for such invitation by the Baltic FAB Board or Management Office.

3. The procedure of work of the committees and working groups shall be laid down in the rules of procedure of the committees and working groups adopted by Baltic FAB Board.

4. Under this Agreement:

   4.1. Baltic FAB Board shall establish:

   1) the Airspace Committee to assist the Baltic FAB Board in the implementation of the Baltic FAB and execution of tasks entrusted to it by the Baltic FAB Board;
   2) the Strategic, Economic and Performance Committee to assist the Baltic FAB Board in the implementation of Articles 21 and 23 and other and execute tasks entrusted to it by the Baltic FAB Board;
   3) the Safety Committee to assist the Baltic FAB Board in the implementation of the Baltic FAB and execution of tasks entrusted to it by the Baltic FAB Board;
   4) the Operational and Technical Committee to assist the Baltic FAB Board in implementation of Articles 13, 14, 15 and 17 and execute other tasks entrusted to it by the Baltic FAB Board;

4.2. Baltic FAB Board may establish other specialized committees if required.
CHAPTER 9: LIABILITY

Article 27
Liability

1. Within the airspace concerned, the Contracting Party shall compensate any damage as referred to in paragraph 3 of this Article resulting from the event:

1) occurred in the airspace over its territory or under its responsibility according to the ICAO rules;

2) caused due to the fault of the ATS provider referred to in Article 12 of this Agreement, or its agents or any other person acting on its behalf, due to the fault of ATS provider other than the provider(s) whose principal place of operation is located on the territory of the said Contracting Party of the event (effective ATS provider). Without prejudice to paragraph 5 of this Article, no direct action may be brought against the effective ATS provider or its agents or any other person acting on its behalf.

2. The right to compensation under paragraph 1 of this Article shall be extinguished if an action is not brought within a period of two years as from the date of the definitive decisions as provided for in paragraph 3 of this Article.

3. Compensation under paragraph 1 of this Article may be claimed only for damage which has not been compensated under any final judicial decisions taken according to the specific national or international laws and regulations.

4. Claims for compensation under paragraph 1 of this Article shall be filed with the Contracting Party concerned. The claim shall be considered and ruled on by the competent authorities in accordance with the relevant national laws and regulations of the Contracting Party concerned. If no consensus is reached on the claim, the dispute shall be ruled on by the competent court of that Contracting Party concerned in accordance with its relevant national laws and regulations.

5. The effective ATS provider shall reimburse to the Contracting Party referred to in paragraph 1 of this Article any compensation paid or costs incurred as the result of damage caused by its own fault or that of its agents or any other person acting on its behalf. The Contracting Party of the effective ATS provider shall ensure the enforcement of this obligation and, in case of default of the effective ATS provider, shall take its place at first request as to reimburse the Contracting Party concerned.

6. Nothing in this Agreement shall prevent the Contracting Party referred to in paragraph 1 of this Article and the Contracting Party of the effective ATS provider from agreeing to share costs resulting from damage as referred to in paragraph 1 of this Article.

7. Nothing in this Agreement shall limit the right of recourse of a Contracting Party or an effective ATS provider against any other natural or legal person.
8. The Contracting Parties shall inform one another as soon as they receive any information about any claim as referred to in paragraphs 1 and 3 of this Article and as soon as a claim has been definitively settled.

9. The designated ATS providers shall maintain adequate coverage for the liability incurred under this Agreement so to make effective the obligation imposed to them under paragraph 5 of this Article to reimburse the Contracting Party referred to in paragraph 1 of this Article.

10. The present chapter is applicable without prejudice to international agreements relating to damage caused by the armed forces of one Contracting Party on the territory of the other Contracting Party.

CHAPTER 10: ACCIDENTS AND SERIOUS INCIDENTS

Article 28
Investigation of accidents and serious incidents

1. In the event of an accident or a serious incident, according to the Chicago Convention definitions, within the Baltic FAB airspace, occurring in the airspace over the territory of a Contracting Party or under its responsibility in accordance with ICAO rules (hereinafter referred to as the Contracting Party of occurrence) and controlled by an ANSP other than the provider(s) whose principal place of operations is/are located on the territory of the Contracting Party of occurrence (hereinafter referred to as the effective ANSP), the Contracting Party of the effective ANSP shall notify without delay the competent authorities of the Contracting Party of occurrence by the most suitable and quickest means. The notification shall have at least the same content as the notification in Annex 13 to the Chicago Convention.

2. The Contracting Party of occurrence or the Contracting Party conducting the investigation according to the Annex 13 to the Chicago Convention shall be provided with and have access to the necessary materials by all relevant ANSPs and competent authorities of the Contracting Parties in order to enable an investigation of the accident or the serious incident to be conducted.

3. The Contracting Party of the effective ANSP shall therefore grant, in accordance with its national laws and regulations, the Contracting Party conducting the investigation access to the premises, facilities and materials of the effective ANSP and information held by its competent authorities. The information provided shall to be used only for the purpose for which it was given and must not be made public without the consent of the Contracting Party which provided the information.

4. The Contracting Parties shall ensure that all the institutions concerned by paragraphs 1 and 2 of this Article are familiar with the relevant communication channels

5. The Contracting Party of the effective ANSP shall be given the opportunity to appoint an observer to be present during the investigation.
6. Any Contracting Party which at the request of the Contracting Party conducting the investigation provided information or access to its competent authorities or an ANSP shall be entitled to appoint an accredited representative to participate in the investigation.

7. Where the Party conducting the investigation specifically requests the participation of the Contracting Party of the effective ANSP, the latter shall appoint an accredited representative.

8. The competent authorities of the Contracting Party conducting the investigation shall provide the competent authorities of the Contracting Party of the effective ANSP with the final investigation report based on its national laws and regulations.

9. Upon request of another Contracting Party the final investigation report and the safety recommendations arising out of the investigation shall be communicated to it.

10. If the Contracting Party conducting the investigation identifies irregularities related to Baltic FAB functioning, it shall immediately inform the Baltic FAB Board thereof.

11. Communications, notifications and reports shall be in English.

12. In order to enhance safety and promote best practices, Contracting Parties may appoint/establish Baltic FAB Investigation Committee composed of civil and military experts to jointly investigate aircraft accidents and serious incidents, including ATM occurrences,

13. In case of the accidents, serious incidents and ATM occurrences:

1) involving civil and state aircraft, and/or
2) involving civil and military ANSPs, and/or
3) involving ANSPs of more than one Contracting Party, and/or
4) during period of delegation of services the Contracting Parties shall ensure that during investigation, preferably conducted jointly, the same classification of occurrences will be applied, as defined in relevant ICAO SARPs, Eurocontrol ESSARs and European Union regulations.

CHAPTER 11: INSTITUTIONAL PROVISIONS

Article 29
Settlement of disputes

1. All disputes arising between the Contracting Parties relating to the interpretation, application or performance of this Agreement, including its existence, validity or termination, should be subject to the direct negotiations between the Contracting Parties.
2. If the dispute cannot be settled within a period of three months through direct negotiations between the Contracting Parties the dispute shall be settled to the Baltic FAB Council which shall appoint one, or if necessary more, persons to moderate and conduct the direct negotiations between the Contracting Parties or shall use any other means to settle the dispute.

3. If a dispute cannot be settled by the Baltic FAB Council within three months of its submission to the Baltic FAB Council, each of the Contracting Parties concerned shall have the right to submit the dispute to arbitration under the “Permanent Court of Arbitration optional rules for arbitrating disputes between two states”. The costs of the arbitration, including fees and expenses, shall be shared equally by the Contracting Parties – the parties to the arbitration dispute.

4. The decisions of the arbitration tribunal shall be binding on the Contracting Parties – parties to the arbitration dispute.

**Article 30**

*Accession of the other State to this Agreement*

1. This Agreement is open to accession. Any State desiring to become a party to this Agreement shall submit its application to the Baltic FAB Council which in the name of the Contracting Party presents to the state desiring to become a party to this Agreement the conditions of accession and to the Contracting Parties any resulting adjustments necessary to this Agreement. After the Contracting Parties agree on any resultant adjustments necessary to this Agreement, these adjustments shall be the subject of an agreement on accession concluded between the Contracting Parties and the state desiring to become a party to this Agreement.

2. The agreement on accession shall come into force as soon as the Contracting Parties and the state desiring to become a party to this Agreement have notified each other in writing of the completion of their respective national law requirements.

3. The Contracting Parties and the state desiring to become a party to this Agreement shall agree upon a common budget covering the expenses for the accession.

**Article 31**

*Withdrawal of the Contracting Party from this Agreement*

1. In the event of the withdrawal of a Contracting Party from this Agreement, the Contracting Party concerned shall inform all other Contracting Parties and the Baltic FAB Council of its decision.

2. The withdrawal shall become effective six months after notification to the Baltic FAB Council.

3. The Baltic FAB Council shall take all necessary measures required by such withdrawal.
4. The Contracting Party withdrawing from this Agreement shall, bear the costs resulting from such withdrawal. In order to determine such costs the Contracting Parties shall conclude a special agreement.

5. If there are only two Contracting Parties the withdrawal of one of the Contracting Parties shall be treated as the termination of this Agreement. Termination shall become effective six months after notification to the Baltic FAB Council. In such situation the rules set out in paragraph 1 of Article 33 shall apply.

**Article 32**

**Amendment of this Agreement**

1. If a Contracting Party wishes to amend this Agreement, in particular due to Baltic FAB modification, it shall duly inform the Baltic FAB Council to consider the proposal. All changes and modifications shall be notified to appropriate authorities and organisations.

2. Any amendments agreed by the Contracting Parties shall come into force on the first day of the second month the Contracting Parties have notified each other in writing of the completion of their respective national law requirements.

**Article 33**

**Termination and Suspension of this Agreement**

1. The Contracting Parties may unanimously decide to terminate this Agreement at any time. In such situation the termination shall be effected by on a specified date to be decided by the Contracting Parties and till that date the Contracting Parties shall jointly determine the costs resulting from termination and the manner of financial settlements between the Contracting Parties.

2. This Agreement may be terminated by either Contracting Party at any time by written notice to the other Contracting Party(Parties). The termination shall become effective six months after the date of receipt of such notice by the other Contracting Party(Parties). The Contracting Parties shall jointly determine the costs resulting from termination and the manner of financial settlements between the Contracting Parties.

3. In the event of war or other state of emergency or in the interest of public safety, each Contracting Party has the right to terminate the Agreement with immediate effect, and shall notify the other Contracting Party(Parties) accordingly. The termination of the Agreement due to above mentioned circumstances shall become effective at the day when other Contracting Party receives the termination notice. The Contracting Parties shall jointly determine the costs resulting from termination and the manner of financial settlements between the Contracting Parties.

4. Each Contracting Party has the right to immediately suspend the application of this Agreement or parts thereof for national security and defence interests. It shall notify the other Contracting Party immediately.
5. The Contracting Party suspending this Agreement shall, bear the costs resulting from such suspension. In order to determine such costs the Contracting Parties shall conclude a special agreement.

**Article 34**

**ICAO registration**

This Agreement and any subsequent amendment thereto shall be registered with the ICAO pursuant to the provisions of Article 83 of the Chicago Convention.

**Article 35**

**Other Agreements**

Letters of agreement and equivalent arrangements concerning operational cooperation concluded between ANSPs being in force at the date of this Agreement signature remain in force.

**Article 36**

**Entry into force**

1. This Agreement is concluded for an indefinite period of time.

2. This Agreement is subject to approval in accordance with the national legal procedures of the Contracting Parties, which will be confirmed with the exchange of diplomatic notes.

3. This Agreement shall enter into force on the first day of the third month of the receipt of the later diplomatic note.

In witness whereof the undersigned, being duly authorized, have signed this Agreement on behalf of their respective governments and affixed their seals.

Done in **Vilnius** on **17th July 2014**, in two original copies, each in the Polish, Lithuanian and English language, all texts being equally authentic. In case of their different interpretation, the English text shall prevail.

**ON BEHALF OF THE REPUBLIC OF POLAND**

**ON BEHALF OF THE REPUBLIC OF LITHUANIA**