

Russia Perm  $\Phi$   
Oct. 5, 2005

## MEMORANDUM OF CONSULTATIONS

Delegations representing the United States of America and the Russian Federation met in Washington D.C. on October 4-5, 2005, to discuss civil aviation services between the two countries.

The talks were cordial and constructive, reflecting the mutual respect and understanding of the two delegations. Delegation lists are attached as Appendix A. The two delegations agreed, ad referendum, on a Protocol with attached Annexes to replace the expired Annexes to the 1994 Air Transport Agreement between the Government of the United States of America and the Government of the Russian Federation. The initialed Protocol and Annexes follow as Appendix B.

The U.S. delegation commended the Russian Federation for its pioneering role in the development of the cross-polar routes. Both delegations welcomed the increase in authorized frequencies on these routes contained in Annex IV, Section 2, Paragraph D, and expressed their shared interest in achieving further increases in future consultations.

The Russian delegation confirmed that all-cargo flights operating via GENDI fulfill the requirements of Annex IV, Section 2, Paragraph B, Subparagraph 2.

With respect to Annex I, the U.S. delegation proposed the inclusion of Novosibirsk and Krasnoyarsk as traffic points for U.S. airlines and the elimination of footnote 2. Although the Russian delegation was not able to agree to these proposals at this time, the two delegations agreed to discuss these possibilities in future consultations.

With respect to Annex IV, Section 2, Paragraph B, the U.S. delegation asked about the possibility of substituting another country in the region for Kazakhstan if the need should arise in the future. The Russian delegation expressed its willingness to consider such a substitution upon application.

With respect to Annex V, the delegations affirmed that the reference to "requirements normally applied" in Section 1, Paragraph C, includes the procedures and practices normally applied by each Party. In addition, the U.S. delegation proposed an increase from five to six in the number of code-sharing arrangements provided for in Section 1, Paragraph B. Although the Russian delegation was not



able to agree to the proposal at this time, the two delegations agreed to discuss this possibility in future consultations.

The Russian delegation presented several concerns regarding Aeroflot operations in the United States of America. Such concerns include:

- Extension of the APIS+ final rule implementation till March 1, 2006;
- Waiver time for full compliance with USDA/CBP/APHIS taxation requirement on ticket sales;
- Waiver of penalties for involuntary violations of APIS rules due to technical reasons;
- Termination of Aeroflot office and storage lease in O'Hare Airport (Chicago);
- Confirmation of progressive clearance on Moscow-New York City-Washington DC flights.

A detailed letter regarding the above items will be provided by Aeroflot to the Chairman of the U.S. delegation. The U.S. delegation undertook to examine and respond to the anticipated letter.

The delegations will recommend to their respective governments to take the actions required to bring the Annexes into force at the earliest possible date through the Protocol to amend the 1994 Air Transport Agreement. In the interim, their respective aeronautical authorities intend to implement the provisions of the Annexes on the basis of comity and reciprocity as of the date of signing this Memorandum.

The Russian and U.S. delegations expressed their mutual satisfaction in achieving a major step forward in expanding and strengthening their aviation relations to the benefit of each country's airlines, airports, consumers, shippers, labor, and economies. The two delegations intend to resume consultations in the second half of 2006 with the objective of achieving a further expansion and strengthening of aviation relations.


Done in Washington D.C. on October 5, 2005.

**For the Russian Delegation**



**Gennady V. Loshchenov**

**For the U.S. Delegation**



**John R. Byerly**

**U.S.-Russia Civil Aviation Talks  
October 4-5, 2005, Washington**

**United States Delegation**

**Government Representatives**

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Russia Jet Direct

Paul Doell  
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Dmitri Karimov  
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Port Authority of New York and New Jersey

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FedEx Express

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## Russian Federation Delegation

### Government Representatives

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Ministry of Transport of the Russian Federation

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Pavel Rozhkov  
Advisor of Head  
Federal Air Transport Agency of the Russian Federation



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Deputy Director of Air Transport Department  
Federal Air Transport Agency of the Russian Federation

Andrei V. Veklenko  
Deputy Director, North American Department  
Ministry of Foreign Affairs of the Russian Federation

Boris Marchuk  
Embassy of the Russian Federation  
Washington

Igor A. Matveev  
Embassy of the Russian Federation  
Washington

Vadim Sergeev  
Embassy of the Russian Federation  
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**Industry Representatives**

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Manager of International Relations Division  
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Andrey Shumilin  
Deputy Director of External Relations  
Volga-Dnepr

Katya Grimes  
Representative for U.S.A.  
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Aleksandr Delezha  
Head of External Relations Division  
Transaero



Alexey Ozerov  
General Representative for the U.S.A.  
Polet Airlines

Pavel Mamonov  
General Representative for the U.S.A.  
Russian Sky Airlines

Olga Scherbina  
Representative for the U.S.A.  
Domodedovo Airlines

A handwritten signature in black ink, appearing to be the initials 'AS'.Handwritten initials 'JRTB' in black ink, enclosed in a simple hand-drawn box.

**PROTOCOL  
BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND  
THE GOVERNMENT OF THE RUSSIAN FEDERATION  
TO AMEND THE JANUARY 14, 1994 AIR TRANSPORT AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND  
THE GOVERNMENT OF THE RUSSIAN FEDERATION**

The Government of the United States of America and the Government of the Russian Federation, hereinafter referred to as “the Parties”;

Proceeding from the Air Transport Agreement between the Government of the United States of America and the Government of the Russian Federation, signed at Moscow on January 14, 1994, hereinafter referred to as “the Agreement”;

Striving to further develop relations and cooperation between the two countries in the area of civil aviation; and

Desiring to amend the Agreement to replace the Annexes thereto that expired on January 22, 2001;

Have agreed as follows:

Article 1

The Annexes of this Protocol shall be integral parts of the Agreement, and shall govern scheduled air services (Annex I), charter air services (Annex II), commercial





opportunities (Annex III), overflights (Annex IV), cooperative marketing arrangements (Annex V) and special provisions for services to and via Alaska (Annex VI).

Article 2

This Protocol shall enter into force upon signature and shall remain in force until March 25, 2007, unless the Parties agree otherwise in writing.

IN WITNESS WHEREOF the undersigned, being duly authorized by their Governments, have signed the present Protocol.

DONE at \_\_\_\_\_ this \_\_\_ day of \_\_\_\_\_, in duplicate, in the Russian and English languages, each text being equally authentic.

**FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA:**



**FOR THE GOVERNMENT OF THE  
RUSSIAN FEDERATION:**



# ANNEX I

## Scheduled Air Services

### Section 1

A. Notwithstanding the provisions of the first sentence of paragraph 1 of Article 3 of the Agreement, until March 25, 2007, the United States of America shall have the right to designate up to six combination (passenger/cargo) airlines and three all-cargo carriers, and the Russian Federation shall have the right to designate up to nine combination or all-cargo airlines, to operate services on the routes specified in Section 2 of this Annex.

B. Not more than three U.S. combination and two U.S. all-cargo and not more than three Russian combination and two Russian all-cargo airlines may operate between any city pair on the specified routes.

### Section 2

Airlines designated under this Annex shall, in accordance with the terms of their designation, and subject to the provisions of Section 1 of Annex IV of the Agreement, be entitled to perform scheduled international air transportation: (1) between points on the following routes, and (2) between points on such routes and any points in third countries through points in the territory of the Party which has designated the airlines.

A. Routes for airlines designated by the Government of the United States of America: From a point or points in the United States of America via intermediate points<sup>1,2</sup> to Moscow, St. Petersburg, Magadan, Khabarovsk, Vladivostok, Petropavlovsk-Kamchatski, Yuzhno-Sakhalinsk and Nizhniy Novgorod, and to five additional points in the Russian Federation to be named by the United States of

1. Without traffic rights between points in Latvia, Lithuania, Estonia, Belarus, Moldova, Ukraine, Georgia, Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan and mentioned points in the Russian Federation;
2. Without traffic rights between any points in Europe and points in the Russian Federation until March 25, 2007, unless the Parties agree otherwise.



America for marketing services on a code-share only basis, and beyond to China (including Hong Kong), the Republic of Korea, Singapore, Taiwan and the Philippines.

B. Routes for the airline or airlines designated by the Government of the Russian Federation: From a point or points in the Russian Federation via intermediate points to Atlanta, Bangor, Boston, New York, Washington, Chicago, Dallas/Fort Worth, Anchorage, Seattle, Portland (Oregon), San Francisco, Los Angeles, Orlando, Honolulu, Miami, Columbus (Ohio), Houston and two points to be named by the Russian Federation, and to five additional points in the United States to be named by the Russian Federation for marketing services on a code-share only basis, and beyond to fifteen points in the Western Hemisphere and Asia to be named by the Russian Federation.

### Section 3

Each designated airline may, on any or all flights and its option,

A. operate flights in either or both directions;

B. combine different flight numbers within one aircraft operation;

C. serve points on the routes in any combination and in any order, which may include serving intermediate points as beyond points and beyond points as intermediate points;

D. omit stops at any point or points;

E. serve a number of points in the territory of the other Party by one aircraft operation, provided that it excludes cabotage;

F. transfer traffic (including its own stopover traffic) from any of its aircraft to any of its other aircraft at any point on the routes;

G. operate combination and all-cargo services to any third-country point not specified in Section 2 of this Annex, without traffic rights between the territory of the other Party and such unspecified point;

without directional or geographic limitation and without loss of any right to carry traffic otherwise permissible under the Agreement; provided that the service operates via a point or points in the territory of the Party designating the airline.



#### Section 4

A. Until March 25, 2007, the U.S. airlines designated for combination service may operate up to 63 round-trip frequencies per week between points in the United States of America and points in the Russian Federation. Until March 25, 2007, U.S. airlines designated for all-cargo service may operate up to 23 round-trip frequencies per week, between points in the United States of America and points in the Russian Federation.

B. Until March 25, 2007, Russian designated airlines may operate up to 86 round-trip frequencies per week between points in the Russian Federation and points in the United States of America.

C. The frequencies mentioned above may be increased in accordance with Article 13 of the Agreement. Extra-section flights operated by designated airlines on the above-specified routes of one Party shall not be counted as a frequency, but must be approved in advance by the aeronautical authorities of the other Party.

D. The designated airlines of one Party while operating services in accordance with this Annex in the territory of the other Party may utilize any type of subsonic aircraft with a capacity of fewer than 500 seats that is in accordance with the laws and regulations of the other Party. Each Party may request the assistance of the other Party, on behalf of its airline or airlines, concerning restrictions that may be imposed by state or local governments or authorities. In response to such a request, the other Party shall bring the views of the requesting Party to the attention of the relevant governmental unit or authority and urge that those views be given appropriate consideration.

#### Section 5

On any segment or segments of the routes above, a designated airline may perform international air transportation without any limitation as to change, at any point on the route, in type or number of aircraft operated, provided that in the outbound direction the transportation beyond such point is a continuation of the transportation from the territory of the Party that has designated the airline and, in the inbound direction, the transportation to the territory of the Party that has designated the airline is a continuation of the transportation beyond such point.



## Section 6

Notwithstanding any other provision of the Agreement, airlines of both Parties shall be permitted, without restriction, to employ in connection with international air transportation any surface transportation company which has appropriate permission from the respective authorities to engage in surface transportation of cargo to or from any points in the territories of the Parties or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable law and regulations. Such cargo, whether moving by surface or by air, shall have, pursuant to relevant non-discriminatory procedures and regulations, access to airport customs processing and facilities. Designated airlines may elect to perform their own surface transportation or to provide it through arrangements with other surface carriers, including surface transportation operated by other airlines and indirect providers of cargo transportation pursuant to the condition that any surface carrier shall have the appropriate permission to engage in surface transportation of cargo. Such intermodal cargo services may be offered at a single through price for the air and surface transportation combined, provided that shippers are not misled as to the facts concerning such transportation.

## Section 7

An airline of one Party authorized to operate scheduled service and an airline of the other Party may establish joint ventures to the extent consistent with this Agreement and other applicable laws of the Parties.

## Section 8

This Annex shall expire on March 25, 2007, unless otherwise agreed prior to that date. The Parties agree to consult not later than six months in advance of the expiration date to determine whether the provisions of this Annex should be continued or modified. This Section does not modify any other provision of the Agreement regarding consultations or termination.



## ANNEX II

### Charter Air Services

#### Section 1

A. Airlines of one Party designated under this Annex, in accordance with the terms of their designation, and subject to the provisions of this Annex and Section 1 of Annex IV of the Agreement, may carry international charter traffic of passengers (and their accompanying baggage) and/or cargo (including, but not limited to, freight forwarder, split and combination (passenger/cargo) charters) between any point or points in the territory of the Party that has designated the airline and any point or points in the territory of the other Party.

B. In the performance of services covered by this Annex, airlines of one Party designated under this Annex shall also have the right: (1) to make stopovers at any points whether within or outside of the territory of either Party; (2) to carry transit traffic through the other Party's territory pursuant to conditions and limitations mentioned in Annex IV of the Agreement; and (3) to combine on the same aircraft traffic originating in one Party's territory with traffic that originated in the other Party's territory.

#### Section 2

A. On the North Atlantic route, the total number of such roundtrip flights for the airlines of each Party shall not exceed: (a) for passenger and combination charters - 150 per year; and (b) for cargo charters - 80 per year. Charter flights over the number mentioned above shall receive positive consideration by the aeronautical authorities of the respective Party on the basis of comity and reciprocity. The above quota may be changed by agreement of the Parties.

B. On the Transeast/North Pacific route, the total number of such roundtrip flights for the airlines of each Party shall not exceed: (a) for passenger and combinations charters - 150 per year; and (b) for cargo charters - 80 per year. Charter flights over the number mentioned above shall receive positive consideration by the aeronautical authorities of the respective Parties on the basis of comity and reciprocity. The above quota may be changed by agreement of the Parties.



C. Subject to advance approval of routings and points in compliance with entry, transit, customs and immigration laws and regulations, and in accordance with the safety and national security requirements of the receiving Party, decisions on charter applications shall be made within 10 working days of receipt of the application. In the event of denial of an application, the denial shall specify which of the following reasons apply:

1. reciprocity
2. safety
3. national security considerations.

Applications filed on short notice shall receive sympathetic consideration, in the shortest possible time.

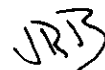
D. Charter flights shall be operated in accordance with the charter rules of the country in which the charter traffic originates. If a Party applies different rules, regulations, terms, conditions, or limitations to one or more of its airlines, or to airlines of different countries, each designated airline shall be subject to the least restrictive of such criteria. However, nothing in this subsection shall limit the rights of one Party to require the designated airline or airlines of the other Party to adhere to requirements relating to national security or protection of passenger funds and passenger cancellation and refund rights.

### **Section 3**

Humanitarian charters, if recognized by each of the Parties as such, shall not be included in the numerical limitation set forth in Section 2 of this Annex.

### **Section 4**

An airline of one Party authorized to operate charter services and an airline of the other Party may establish joint ventures to the extent consistent with the Agreement and other applicable laws of the Parties.



## Section 5

The designated airlines of one Party while operating services in accordance with this Annex in the territory of the other Party may utilize any type of subsonic aircraft with a capacity of fewer than 500 seats that is in accordance with the laws and regulations of the other Party. Each Party may request the assistance of the other Party, on behalf of its airline or airlines, concerning restrictions that may be imposed by state or local governments or authorities. In response to such a request, the other Party shall bring the views of the requesting Party to the attention of the relevant governmental unit or authority and urge that those views be given appropriate consideration.

## Section 6

This Annex shall expire on March 25, 2007, unless otherwise agreed prior to that date. The Parties agree to consult not later than six months in advance of the expiration date to determine whether the provisions of this Annex should be continued or modified. This Section does not modify any other provision of the Agreement regarding consultations or termination.





## ANNEX III

### Commercial Opportunities

#### Section 1

A. Prior to such time as the Parties agree that designated airlines of the Parties may exercise fully all rights specified in paragraph 3 of Article 8 of the Agreement, the designated airlines of one Party shall have the right to select agents authorized in accordance with national laws and regulations for ground handling and fuel supply services in the territory of the other Party; provided that pending such agreement, designated airlines of one Party may exercise in the territory of the other Party all rights specified in paragraph 3 of Article 8 of the Agreement to the maximum extent permitted by the law of such other Party, and in any event to the maximum extent permitted to any other airline of any nationality other than the national airlines of such other Party.

B. The Parties agree that the availability of ground handling and fuel services to the airlines of both Parties shall be on a non-discriminatory basis. Each Party may request the assistance of the other Party, on behalf of its airline or airlines, concerning regulations which may be imposed by state or local governments or authorities. In response to such a request, the other Party shall bring the views of the requesting Party to the attention of the relevant governmental unit or authority and urge that those views be given appropriate consideration.

#### Section 2

A. Prior to such time as the Parties agree that U.S. designated airlines are permitted under Russian law to exercise fully all rights specified in Paragraphs 4-7 of Article 8 of the Agreement, the provisions of this Section shall apply in lieu of those paragraphs, provided that, pending such agreement, U.S. designated airlines may exercise all such rights in the Russian Federation to the maximum extent permitted by Russian law, and in any event to the maximum extent permitted to any other airline of any nationality other than the national airlines of the Russian Federation.

B. Notwithstanding the provisions of paragraph 1 of Article 8 of the Agreement, the airlines of one Party designated for scheduled services may establish offices in the territory of the other Party only at the cities specified on the routes set forth in Section 2 of Annex I of the Agreement.



C. The airlines of one Party designated in accordance with Annex I of the Agreement and pursuant to the terms of their designation shall be permitted to sell freely passenger and cargo air transportation in the territory of other Party on their own transportation documents at their own offices and through travel agents of that Party, as well as to appoint agents at their discretion, subject to generally applicable law of that Party.

### Section 3

A. The provisions of this Annex shall be applicable to cargo as well as passenger transportation.

B. This Annex shall expire on March 25, 2007, unless otherwise agreed prior to that date. The Parties agree to consult not later than six months in advance of the expiration date to determine whether the provisions of this Annex should be continued or modified. This Section does not modify any other provision of the Agreement regarding consultations or termination.



## ANNEX IV

### Overflights

#### Section 1

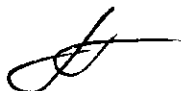
Notwithstanding the provisions of Article 2 of the Agreement, the right of the airlines of one Party to fly across the territory of the other Party; the right of airlines of one Party to make stops in the territory of the other Party for non-traffic purposes; and the air transportation rights granted in the Agreement shall be exercised only in accordance with Air Traffic Services (ATS) routings for aircraft and the points for crossing national boundaries established by each Party within its territory for the purposes of the Agreement, taking into account security considerations.

#### Section 2

A. Until March 25, 2007, airlines of the United States of America may overfly and stop for non-traffic purposes on 52 flights per week (26 flights eastbound and 26 flights westbound) between the United States and the Indian subcontinent either non-stop via European airspace or via points in Europe on ATS routings approved for international services. U.S. authorities shall notify Russian Federation authorities of the allocation of such rights.

B. Until October 28, 2006, airlines of the United States of America when operating all-cargo flights may overfly and stop for non-traffic purposes on 56 flights per week (28 flights eastbound and 28 flights westbound) between points in Europe and points in China (including Hong Kong), Philippines, Kazakhstan, India, Republic of Korea and Japan on ATS routings approved for international services. From October 29, 2006 until March 25, 2007, airlines of the United States of America when operating all-cargo flights may overfly and stop for non-traffic purposes on 62 flights per week (31 flights eastbound and 31 flights westbound) between points in Europe and points in China (including Hong Kong), Philippines, Kazakhstan, India, Republic of Korea and Japan on ATS routings approved for international services. Such flights shall be subject to the following conditions:

1. Flights that have entered or will depart the airspace of states of the former Soviet Union at points south of REVKI as well as flights originating or terminating in Kazakhstan may use the most direct



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ATS routings between BAEVO and GUTAN/ARISA and ATS routings to the south thereof.

2. Flights that have entered or will depart the airspace of states of the former Soviet Union at REVKI or points north thereof may use the most direct ATS routings between BAEVO and GUTAN/ARISA and ATS routings to the south thereof, provided such flights operate over a point in the Tashkent Flight Information Region.

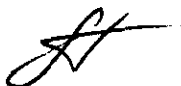
U.S. authorities shall notify Russian Federation authorities of the allocation of such rights.

C. Until March 25, 2007, airlines of the United States of America may operate on the Transeast ATS routings network approved for international services 600 flights per week (200 flights eastbound and 400 flights westbound) between points in the United States of America and points in the Far East and in the Asia-Pacific region, provided that traffic handling capability on these ATS routings is adequate.

D. Until October 28, 2006, airlines of the United States of America may overfly and stop for non-traffic purposes on the Crosspolar ATS routings network approved for international services 104 flights per week (52 flights northbound and 52 flights southbound) between points in the United States of America and points in Asia and the Pacific region. From October 29, 2006 until March 25, 2007, airlines of the United States of America may overfly and stop for non-traffic purposes on the Crosspolar ATS routings network approved for international services 126 flights per week (63 flights northbound and 63 flights southbound) between points in the United States of America and points in Asia and the Pacific region. Such flights may be operated provided that traffic handling capability on these ATS routings is adequate, and in accordance with the conditions published in the AIP of the Russian Federation. Flights that use the Crosspolar ATS routings network as well as the Transeast ATS routings network shall be counted only as flights under paragraph C.

### Section 3

The designated airlines of one Party while operating services in accordance with this Annex may utilize any type of subsonic aircraft with a capacity of fewer than 500 seats that is in accordance with the laws and regulations of the other Party.



#### **Section 4**

The Parties shall provide the necessary air traffic services and weather services within their respective Flight Information Regions so that airlines and other civil aircraft operators of either Party may operate flights in accordance with the Agreement.

#### **Section 5**

The appropriate U.S. authorities shall make available to Russian airlines and other civil aircraft operators all U.S. airspace entry and exit points that are available to any non-U.S. airline. Subject to appropriate U.S. internal procedures, the U.S. authorities shall provide access to published common ATS routings to/from each entry and exit point for each destination authorized for scheduled and charter services pursuant to the Agreement, or to the optimal ATS routing where no common ATS routing is published. Russian airlines and other civil aircraft operators shall provide two weeks' advance notification of the specific entry point and exit point, and one alternate entry point and one alternate exit point, and ATS routing to be used for each destination to the Federal Aviation Administration (FAA) Office of International Aviation, Washington, D. C. Entry and exit points and ATS routings may be changed by the Russian airlines and other civil aircraft operators at any time with at least two weeks notice to FAA. The U.S. authorities reserve the right to modify the ATS routing for security reasons, but shall attempt to keep the routing as close to optimum as possible.

#### **Section 6**

This Annex shall expire on March 25, 2007, unless otherwise agreed prior to that date. The Parties agree to consult not later than six months in advance of the expiration date to determine whether the provisions of this Annex should be continued or modified. This Section does not modify any other provision of the Agreement regarding consultations or termination.



## ANNEX V

### Co-operative Marketing Arrangements

#### Section 1

A. Subject to the provisions of subsections B and C of this Section, each Party may authorize its airlines to enter into co-operative marketing arrangements such as block space, code-sharing, or leasing arrangements, and hold out service on aircraft operated by:

1. an airline or airlines of either Party, for services on any of the agreed routes including between points in the territory of each Party for international traffic;
2. an airline of a third country, for services between points authorized in the territories of the Parties, pursuant to Section 2 of Annex I of the Agreement, via:
  - a. for airlines of the United States, intermediate points in Europe
  - b. for airlines of Russia, intermediate points in Europe (including Latvia, Lithuania, Estonia, Belarus, Moldova, and Ukraine), and Georgia, Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

B. Each Party may authorize up to five code-sharing arrangements on services operated by airlines of third countries, in accordance with subsection A of this Section.

1. Each code-sharing arrangement involving an airline of a third country may serve the territories of the Parties via no more than one intermediate point. Such an intermediate point shall be chosen by each Party on behalf of its airline.

2. A Party may select the same airline to exercise more than one of the five arrangements provided for in subsection B of this Section. An airline selected to exercise more than one arrangement may use the allocation with the same partners or different partners, subject to the limitation that no more than daily service may be provided to the same city pair.

3. Each code-sharing arrangement shall be limited to 14 weekly operations, with no more than daily service being provided to the same city-pair.

C. Co-operative arrangements shall be subject to the requirements that all airlines in such arrangements: (1) hold the appropriate authority and (2) meet the requirements normally applied by each Party to such arrangements.



## Section 2

A. For purposes of the frequency limitations on services stated in Section 4 of Annex I of the Agreement, code-share services operated between the territories of the Parties authorized under this Annex shall count for one-half of one frequency with respect to the non-operating airline of a Party and one full frequency for an operating airline of a Party.

B. An airline authorized to provide scheduled services under this Annex may hold out fifth freedom services on such operations, if the airline has also been designated under Annex I of the Agreement.

## Section 3

This Annex shall expire on March 25, 2007, unless otherwise agreed prior to that date. The Parties agree to consult not later than six months in advance of the expiration date to determine whether the provisions of this Annex should be continued or modified. This Section does not modify any other provision of the Agreement regarding consultations or termination.



## ANNEX VI

### Special Provisions For Services To And Via Alaska

#### Section 1 Scheduled Service

##### A. Code-Share Services For Airlines Designated by the Government of the Russian Federation:

The Government of the Russian Federation shall have the right to designate any number of airlines, which shall be entitled, in conjunction with flights operated to or via a point in Alaska, to hold out their services on services operated by airlines of either Party between any point or points in the territory of the Russian Federation and any point or points in the territory of the United States of America, subject to the following provisions:

1. All airlines engaged in code-share operations must have the appropriate authority.
2. All code-share arrangements must meet the requirements normally applied to such arrangements.
3. Code-share operations under subsection A of this Section shall not be counted against frequency limits set forth in Section 4 of Annex I of the Agreement applicable to operations by airlines designated by the Parties for any of the airlines involved.
4. Airlines designated solely to exercise the rights provided for in subsection A of this Section shall not be counted against the limits on designation set forth in Section 1 of Annex I of the Agreement applicable to the Parties.

##### B. Own-Aircraft Services by Airlines Designated by the Government of the Russian Federation:

1. The Government of the Russian Federation shall have the right to designate any number of airlines to operate any number of frequencies on routes between any point or points in the Russian Federation and any point or points in the United States of America, provided that the operation serves a point in Alaska.

2. Frequencies operated under paragraph 1 of subsection B of this Section shall not be counted against limits on frequencies applicable to operations by airlines designated by the Government of the Russian Federation set forth in subsection B of Section 4 of Annex I of the Agreement. Airlines designated solely to exercise rights provided for in paragraph 1 of this subsection shall not be counted against the limit





on designations applicable to the Government of the Russian Federation set forth in Section 1 of Annex I of the Agreement.

C. Own-Aircraft Services by Airlines Designated by the Government of the United States of America:

In addition to the route rights provided in Annex I, Section 2A, airlines designated by the Government of the United States of America shall be entitled to perform scheduled international air transportation between any point or points in Alaska and Anadyr, Provideniya, and Lavrentiya, subject to Russian Government internal regulations applicable for utilization of these airports, which will be applied on a non-discriminatory basis to international air services.

**Section 2**  
Charter Service

The Government of the Russian Federation shall be entitled to designate any number of airlines to operate any number of charter services between Alaska and the Russian Far East.

**Section 3**

This Annex shall expire on March 25, 2007, unless otherwise agreed prior to that date. The Parties agree to consult not later than six months in advance of the expiration date to determine whether the provisions of this Annex should be continued or modified. This Section does not modify any other provision of the Agreement regarding consultations or termination.



VRB