

MEMORANDUM OF UNDERSTANDING BETWEEN THE AERONAUTICAL AUTHORITIES OF THE RUSSIAN FEDERATION AND THE HELLENIC REPUBLIC

Delegations representing the Aeronautical Authorities of the Russian Federation (hereinafter referred to as the Russian Delegation) and the Hellenic Republic (hereinafter referred to as the Hellenic Delegation) met in Thessaloniki, Greece on 4th – 5th February 2015 to discuss matters related to further development and strengthening of the bilateral air transport relations between their respective countries.

The name lists of delegations are attached hereto as **APPENDIX I**.

The discussions were conducted in a cordial and friendly atmosphere and the two delegations decided as follows:

1. The Protocol amending the Air Transport Agreement (ATA)

Both Delegations discussed the proposed by the Hellenic Delegation amendments to the initialled 24th April 2012 "Draft Protocol amending the Air Transport Agreement between the Government of the Hellenic Republic and the Government of the Russian Federation signed in Athens on December 6th 2001". Both Delegations agreed on the new version of Article 13 paragraph 2, as proposed by the Hellenic Delegation, and noted that for the time being they cannot reach an agreement on the proposed amendments on Article 1 paragraph 4 and Article 13 paragraph 3 (d). The newly amended Draft Protocol is attached as **APPENDIX II**.

2. Amendment of the Annex to the ATA

Both Delegations agreed to revise and replace the Annex to the ATA with a new one, which appears as **APPENDIX III**.

3. Traffic Rights' Issues

Taking into account the current traffic conditions between their respective countries, both Delegations held discussions on further development of air services between the two countries.

In accordance with the provisions of the Annex to the ATA, both Delegations agreed that the designated airlines of each Contracting Party shall be entitled to operate the agreed services on the specified routes as follows:

3.1. Capacity/ Frequencies

- up to 21 weekly frequencies on the route Moscow – Athens v.v.
- up to 21 weekly frequencies on the route Moscow – Heraklion v.v.
- up to 21 weekly frequencies on the route Moscow – Rhodes v.v.
- up to 35 weekly frequencies on the route Moscow – Thessaloniki v.v.
- up to 14 weekly frequencies on any other route v.v.

3.2. Designation Rules

Up to four airlines of each Contracting Party can be designated for scheduled air services on the route Moscow – Thessaloniki v.v. and up to two airlines on any other route.

3.3. Liberalized regime to three Russian airports

In addition to that, the Russian delegation informed that the Russian Authorities are ready to issue permission to any Greek air carrier for passenger and/or all-cargo operations to Kaliningrad and Sochi (in case of Sochi starting from current winter 2014/15 season) during three IATA consequent periods, starting from Summer 2015, and Vladivostok for unlimited period with 3rd, 4th and 5th freedom traffic rights, without any limitation, provided that these operations do not utilize transsiberian route network.

3.4. All-Cargo Services

Both delegations agreed that all-cargo airlines of both Contracting Parties shall be entitled to operate unrestricted all-cargo frequencies, from any point in the Russian Federation to any point in the Hellenic Republic, via any intermediate points and/or to any points beyond, without exercising 5th freedom traffic rights.

4. Agreed Principles

Both Delegations discussed and exchanged views about "Agreed Principles of the Modernization of the existing system of utilization of the Transsiberian Routes" initialed on 24 November 2006 in Helsinki and updated in 2011.

5. Entry into Force and Review

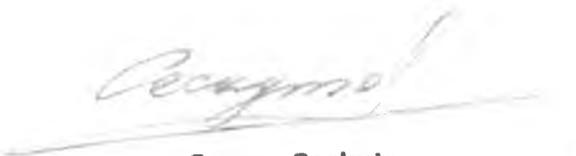
This Memorandum of Understanding shall supersede any previous Memoranda signed between the Contracting Parties and shall be given effect on the date of signature.

Both Delegations reaffirmed their commitment to meet at least once a year to further strengthen bilateral aviation relations and review operational conditions, frequencies and capacity offered, once the increased market conditions between the two countries demand. The next round of consultations will take place in Russia by the end of 2015.

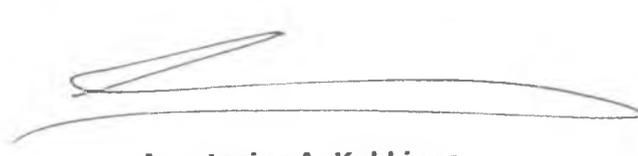
Signed in Thessaloniki on 5th February 2015, in two original copies in the English language.

**For the Delegation of the Aeronautical
Authorities of the Russian Federation**

**For the Delegation of the Civil Aviation
Authority of the Hellenic Republic**



**Sergey Seskutov
Deputy Director
Department of State Policy in Civil Aviation
Ministry of Transport
of the Russian Federation**



**Anastasios A. Kokkinos
Acting Director General
for Air Transport
Hellenic Civil Aviation Authority**

APPENDIX I

DELEGATION OF THE RUSSIAN FEDERATION

Sergey Seskutov

Deputy Director,
Department of State Policy in Civil Aviation
Ministry of Transport of the Russian Federation
Head of delegation

Darya Kondrashova

Adviser of Air Services Division
Department of State Policy in Civil Aviation,
Ministry of Transport of the Russian Federation

Observers

Kamil Feyzrakhmanov

Domodedovo Airport

Evgeny Smetanin

Aeroflot Russian Airlines

DELEGATION OF THE HELLENIC REPUBLIC

Mr. Anastasios Kokkinos	Acting Director General for Air Transport Hellenic Civil Aviation Authority Head of Delegation
Ms. Akrivoula Vlachou	Head Bilateral Air Agreements Section Air Transport Division Hellenic Civil Aviation Authority
Ms. Asimenia Filioglou	Bilateral Air Agreements Section Air Transport Division Hellenic Civil Aviation Authority

Observers

Mr. Achileios Topouzas	Thessaloniki Airport "Makedonia" Airport Manager
Ms. Katia Avramidou	Aegean Airlines
Mr. Iosif Mastorantonakis	Aegean Airlines
Ms. Despoina Lioliou	Astra Airlines
Mr. Takis Stavrianakos	Blue Bird
Mr. Konstantinos Dallis	Blue Bird
Mr. Ioannis Mouzenidis	Ellinair
Mr. Athanasios Nikoglou	Ellinair

APPENDIX II

PROTOCOL AMENDING THE AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE HELLENIC REPUBLIC DONE ON DECEMBER 6TH 2001

The Government of the Russian Federation and the Government of the Hellenic Republic (hereinafter referred to as "Contracting Parties") amending the Air Transport Agreement between the Government of the Russian Federation and the Government of the Hellenic Republic done in Athens on December 6th, 2001 (hereinafter referred to as "the Agreement")

have agreed as follows:

Article 1

To make the following changes in the Agreement:

1. To supplement paragraph 1 of Article 1 with the following point j):

"j) Air Operator Certificate has the meaning assigned to it in Annex 6 "Operation of Aircraft" to the Convention."

2. To make paragraph 6 of Article 2 null and void.

3. To formulate paragraph 4 of Article 3 as follows:

"4. Each Contracting Party shall designate such airlines for the purposes of operating agreed services on the specified routes which are established on the territory of the State of either Contracting Party.

Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this Article or to impose such conditions as it may deem necessary on the exercise by the designated airline of the rights specified in Article 2 of the Agreement, in any case where the said Contracting Party is not satisfied that the designated airline of the other Contracting Party: is established in the territory of the State of that other Contracting Party, [or] has a valid Operating Licence and Air Operator Certificate in accordance with the applicable legislation of the State of the designating Contracting Party, [and or] effective regulatory control of the airline is exercised and maintained by the State responsible for issuing its Air Operator Certificate and the relevant Aeronautical Authority is clearly identified in the designation.";

4. To formulate paragraph 1 of Article 4 as follows:

"1. Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 3 of the Agreement by an airline designated by the other Contracting Party or to impose such conditions as it may deem necessary on the exercise of these rights:

a) in any case where it is not satisfied that the airline fulfills the conditions set in Article 3 paragraph 4 of the Agreement; or

b) in case of a failure by that airline to comply with the legislation of the Contracting Party granting these rights; or

c) in case the airline otherwise fails to operate in accordance with the conditions prescribed under the Agreement; or

d) in case effective regulatory control over the airline designated by one Contracting Party is exercised by a State with which the other Contracting Party does not have a bilateral air services agreement and that State has denied traffic rights to the airline designated by that other Contracting Party.”;

5. To make paragraphs 4 and 5 of Article 12 null and void.

6. To formulate Article 13 as follows:

“Article 13”

Tariffs

1. The tariffs applicable between the territories of the two Contracting Parties shall be established at reasonable levels, due regard being paid to all relevant factors including the cost of operation, commercial benefits, reasonable profit, class of service and the tariffs of other airlines operating over whole or part of the routes.

2. Each designated airline of either Contracting Party develops its tariffs independently.

3. The Aeronautical Authorities of either Contracting Party may request to intervene in a tariff, in case of:

(a) prevention of unreasonably discriminatory tariffs;

(b) protection of consumers from prices that are unreasonably high or restrictive because of the abuse of a dominant position;

(c) protection of airlines from prices to the extent that they are artificially low because of direct or indirect government subsidy; and

(d) protection of airlines from prices that are low [~~due to unfair competition~~, where evidence exists as to an intent of eliminating competition.]

4. The Aeronautical Authorities of either Contracting Party may require tariffs for an agreed service to be submitted for approval for purpose mentioned in paragraph 3 of this article. In this case, the tariffs shall be submitted to the Aeronautical Authorities for approval 30 days prior the application of the tariff.”

Article 2

This Protocol shall enter into force from the date of the last written notification through diplomatic channels that the necessary internal procedures for the entry into force have been fulfilled by the Contracting Parties.

Done in _____ on _____ 201_ in duplicate in Russian, Greek and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall be used.

**For the Government of the
Russian Federation**

**For the Government of the
Hellenic Republic**



APPENDIX III

ANNEX

1. Routes which shall be operated by the designated airlines of the Russian Federation in both directions:

Points of Departure	Intermediate Points (*)	Points of Destination	Points Beyond (*)
Points on the territory of the Russian Federation		Athens Thessaloniki Heraklion Rhodos <i>Other points in the Hellenic Republic*</i>	

2. Routes which shall be operated by the designated airlines of the Hellenic Republic in both directions:

Points of Departure	Intermediate Points (*)	Points of Destination	Points Beyond (*)
Points on the territory of the Hellenic Republic		Moscow Saint-Petersburg Rostov Kazan <i>Other points in the Russian Federation*</i>	

(*) Other points shall be subject to an agreement between the Aeronautical Authorities of the Contracting Parties. This agreement can be reached by negotiations or by exchange of letters between the Aeronautical Authorities of the Contracting Parties

Notes:

- a) Intermediate points and points beyond on any of the specified routes may be omitted by the designated airlines of the Contracting Parties provided that all the flights start and end on the territory of the designating State.
- b) The designated airlines of both Contracting Parties will have the right to co-terminalize two points on the territory of the other side without traffic rights between those points;
- c) The designated airlines of both Contracting Parties will have the right to operate "triangular" flights in the framework of the existing route schedule, designation and frequency entitlements;
- d) The right of the designated airlines of one Contracting Party to transport passengers, cargo and mail between the points in the territory of the other Contracting Party and the points in the territory of third countries (exercise of full fifth freedom traffic right) shall be subject to an agreement between the Aeronautical Authorities of the Contracting Parties.

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- e) With reference to the provisions of Article 2 of the Agreement designated, as well as non designated airlines, of one Contracting Party, may overfly the territory of the other Contracting Party on routes authorised for international air services and available for any other foreign carrier without landing, or with landing for non traffic purposes.
All operations, using Transsiberian, Transpolar and Transasian routes shall be subject to an agreement between the Aeronautical Authorities of the Contracting Parties.
- f) The number of designated airlines for scheduled air services on each city pair and the number of frequencies operated on the routes in paragraph 1 and 2 above, shall be subject to a separate agreement between the Aeronautical Authorities of the Contracting Parties.
- g) Charter, additional and non-scheduled flights carried out based on preliminary request of the designated as well as non-designated airlines, submitted to the Aeronautical Authorities at least (72) hours before the departure, in accordance with legislation of each of the Contracting Parties, except weekends and holidays.
- h) Non designated airlines may also operate charter flights between the points in the territory of the States of the Contracting Parties on the routes not mentioned in the Annex above.
- i) The inclusive tour charter operation from the territory of the State of the other Contracting Party is not permitted.
- j) While operating or holding out the air services on the specified routes the designated airline(s) may enter into commercial and/or co-operative marketing arrangements including, but not limited to, blocked-space or code-sharing with any other airline, including an airline of the same side and an airline of a third country, provided that:
- a) the operating airline in such arrangements holds the appropriate operating authorisation and traffic rights;
 - b) both the operating and marketing airlines hold the appropriate route rights¹;
 - c) no service is operated by an airline of one country for the carriage of passengers between a point in the territory of the other country and a point in a third country, or between two points in the territory of the other country, and no such passengers are carried, unless that airline itself has traffic rights between those two points;
 - d) in respect of each ticket sold, the purchaser is informed at the point of sale which airline will operate each flight forming part of the service;
 - e) the activities mentioned are carried out in accordance with the laws and regulations applicable in each country, including those governing competition;
 - f) the relevant airline has secured any necessary approvals from its own Authorities, for the purposes of ensuring that the code-sharing arrangement is consistent with bilateral arrangements with any relevant third country; and
 - g) code-sharing agreements will be subject to approval by Aeronautical Authorities of both Contracting Parties.

¹ Route rights do not require designation and/or traffic rights as for the marketing carrier.