

## **Confidential Memorandum of Understanding**

The Civil Aviation Working Group, composed of the Delegation representing the Ministry of Transport of the Russian Federation (hereinafter referred to as the Russian Delegation) and the Civil Aviation Administration of China (hereinafter referred to as the Chinese Delegation) met in Irkutsk from August 2 to 4, 2016 for the 20<sup>th</sup> Meeting of Russia-China Transportation Cooperation Sub-Committee to discuss matters relating to further development of aviation relations between the two countries.

The name lists of the Delegations are attached hereto as Appendix 1 and Appendix 2.

The discussions were conducted in a very cordial and friendly atmosphere.

### **I. Arrangements for the Implementation of the Agreement on Civil Aircraft Search and Rescue**

The Russian Delegation provided its proposal on the draft of the above mentioned agreement at the end of June, 2016. The Chinese Delegation stated that it would carefully study the Russian proposal and responded in due time. In the mean time, the Chinese Delegation reminded that it had provided the draft of the above mentioned agreement in August 2015 and requested the Russian side to have a serious study on the Chinese proposal.

Both Delegations agreed to continue their exchanges of views through e-mail and in case of necessity to organize a working meeting between the experts aiming to finalize discussions.

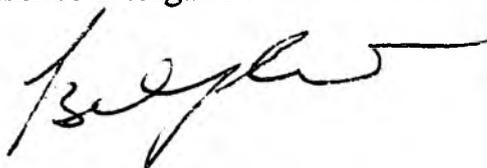
### **II. Airworthiness Certification**

Both Delegations discussed airworthiness cooperation issues between the two States. The record of discussion is attached herewith as Appendix 4.

### **III. Expansion of Commercial Traffic Rights Arrangements**

Both Delegations agreed to expand local air services, triangular air services as well as overflying arrangements for the designated airlines of both sides. With regard to capacity and frequency entitlements of local services as well as overflying frequencies, both sides agreed to new arrangement as set out in Appendix 3 to this CMOU, which shall replace Appendix 3 to 2015 CMOU.

The Chinese Delegation reminded the Russian Delegation that due to the severe

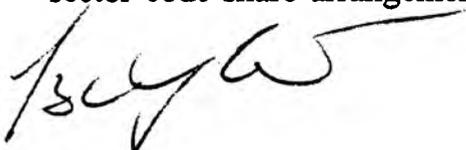


congestion in PEK airport, only the night-time landing slots (02:00-05:00) are available for the expanded traffic rights in relation to Beijing as specified in Appendix 3, before the completion of the new airport in Beijing scheduled to be in operation in 2019. The Russian Delegation noted and understood the current situation.

#### **IV. Code-sharing arrangements**

Both delegations agreed to replace Article V "Code-sharing arrangements" of the CMOU signed on August 26, 2015 with the following:

1. When operating or holding out agreed services on the specified routes, including to beyond points, designated airlines of either Contracting Parties shall be entitled to enter into cooperative arrangements, such as but not limited to code sharing, with:
  - (a) an airline or airlines from China;
  - (b) an airline or airlines from Russia.
2. When a designated airline performs services under cooperative marketing arrangement as the marketing carrier, the total capacity offered by the airline will not be counted against the capacity entitlement of the Contracting Party designating the airline.
3. All airlines operating or holding out the above services shall hold the appropriate authority including route rights and traffic rights and shall meet the requirements normally applied to such arrangements.
4. The designated airlines of both Contracting Parties shall, when holding services out for sale, in terms of code share, blocked-space or other joint venture arrangements, make it clear to the purchaser at the point of sale which airline will be the operating airline on each sector of the service and with which airline(s) the purchaser is entering into a contractual relationship.
5. The designated airline(s) of either Contracting Party may also, on a case-by-case basis, enter into domestic sector code-share arrangement with the airline(s) of the other Party designated to operate between China and Russia. The domestic sector code-share services may be conducted only between points of entry and eleven (11) other destination points and such services should form part of a through international journey. The eleven destination points selected for domestic sector code-sharing should be informed to the aeronautical authorities of the other side in due course.
6. The designated airlines of either Contracting Party may also enter into beyond sector code-share arrangements at five (5) freely selected beyond points with the



designated airlines of the other Contracting Party. The marketing airlines shall not exercise the fifth freedom traffic rights on the beyond sector while engaging in the above code-share arrangements.

7. All code-share arrangements are subject to approval by the aeronautical authorities of both Contracting Parties.

## **V. Other Matters**

1. The two Delegations agreed that currently operated scheduled carriers on the routes Novosibirsk – Beijing and v.v., Yekaterinburg – Beijing v.v. for the Russian side and Guangzhou – Moscow v.v. for the Chinese side have the right to operate up to three (3) additional flights per week on the each above mentioned routes.

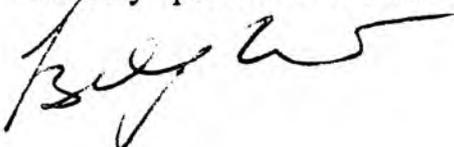
2. The Chinese Delegation informed the Russian Delegation of the measures recently implemented by CAAC on improving on-time performance at the slot-coordinated airports in China. The Chinese Delegation reminded the Russian carriers to follow these measures when applying for charter or additional flights at these airports.

3. The Russian Delegation informed that Vim Air plans to operate with 1 extra flight per week on Saint-Petersburg-Beijing v.v. route until the end of IATA 2016 Summer season. The Chinese Delegation responded that normally extra flights may be permitted on temporary basis and should not be prolonged to a fixed period. Nonetheless, bearing in mind the close cooperation between the two Aeronautical Authorities, the Chinese Delegation agreed to approve the 1 extra flight application of Vim Air until the end of IATA 2016 Summer season as a special case.

4. The Chinese Delegation informed the Russian Delegation of the difficulty that Air China is faced with since 2012 while applying for working visa for their staff in the representative office in Chita. The Russian Delegation requested that more details be provided by Air China and committed to facilitate the application.

5. The Chinese Delegation informed the Russian Delegation of the requests of the Chinese airlines to simplify overflying application procedures, in particular, with regards to change of aircraft type only. The Russian Delegation responded that the Chinese airlines may list several aircraft types that may be utilized for the overflying flights when submitting form R applications.

6. The Russian Delegation informed about the plans of Nord Star Airlines (Taimyr Airlines) to operate charter services on Khabarovsk-Haikou-Krasnoyarsk and Krasnoyarsk –Haikou-Khabarovsk from August 13, 2016. The Chinese Delegation responded that operating permit would be granted for August in due time. The Chinese Delegation further informed that charter services on each city-pair route can only operate for no more than three consecutive months.



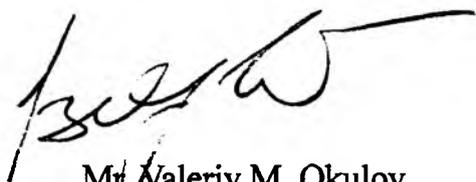
7. The Russian Delegation informed that «Rossiya Airlines» plans to renew operations on the route Sankt-Petersburg–Beijing and v.v. as from Winter 2016/2017 Season.

This Confidential Memorandum of Understanding shall come into effect on the date of signature.

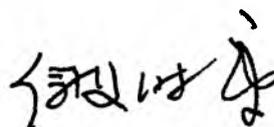
Done in Irkutsk on August 4, 2016 in English language.

For the Aeronautical Authorities  
of the Russian Federation

For the Aeronautical Authorities  
of the People's Republic of China



Mr. Valeriy M. Okulov  
Deputy Minister  
Ministry of Transport of the Russian  
Federation



Mr. Yin Shijun  
Chief Engineer  
Civil Aviation Administration of  
China

## Name list of the Russian Delegation

<b>Name</b>	<b>Title</b>
<b>Head of Delegation</b>	
Mr. Valery M. Okulov	Deputy Minister of Transport of the Russian Federation
<b>Delegates</b>	
Mr. Sergey A. Seskutov	Deputy Director Department of State Policy in Civil Aviation Ministry of Transport of the Russian Federation
Mr. Alexander V. Shatalin	Chief-expert of Air Services Division, Department of State Policy in Civil Aviation Ministry of Transport of the Russian Federation
Mr. Mikhail V. Bulanov	Deputy Head of Federal Air Transport Agency
Mr. Andrey N. Krykov	Head of section, Aviation Industry Department Ministry of Industry and Trade of the Russian Federation
Ms. Ekaterina V. Yakusheva	Specialist of Continuing Airworthiness Department Federal Air Transport Agency
<b>Observers:</b>	
Mr. Igor V. Chernyshov	Aeroflot
Mr. Viacheslav Ladvishchenko	Rossiya Airlines
Mr. Maxim B. Titov	S7 Airlines
Ms. Marianna B. Galagura	Ural Airlines
Ms. Anna S. Zentsova	Ural Airlines
Mr. Oleg O. Demidov	Group of Companies Volga-Dnepr
Mr. Evgeniy G. Pimenov	ATRAN Cargo Airlines
Mr. Sergey V. Dotsenko	«Airports of Regions» JSC
Mr. Pavel V. Permyakov	UTAir airlines
Ms. Nadezhda V. Kuzmina	Aircompany «Yakutiya»
Mr. Kamil R. Feyzrakhmanov	Airlines Association of Russia
Mr. Vladislav A. Kargin	VIM-AVIA
Mr. Vladimir V. Afanasiev	VIM-AVIA
Mr. Dmitriy V. Shalygin	Nord Star Airlines



## Name list of the Chinese Delegation

<b>Name</b>	<b>Title</b>
<b>Head of Working Group</b>	
Mr. Yin Shijun	Chief Engineer Civil Aviation Administration of China, CAAC
<b>Delegates</b>	
Ms. Liang Nan	Deputy Director General Department of International Affairs, CAAC
Mr. Chen Xiangyang	Director, Air Traffic Regulation Office, CAAC
Mr. Miao Xuan	Director, Air Traffic Management Bureau, CAAC
Mr. Cai Guoxian	Deputy Director, Department of International Affairs, CAAC
Ms. Yang Jie	Deputy Director, Department of Air Transport, CAAC
Mr. Zhu Xuefeng	Deputy Director, Department of Airworthiness, CAAC
Mr. Zhang Bin	Interpreter



**Route Schedule Specifications:**

**A. PASSENGER AIR SERVICES**

**1. Common frequencies entitlements for designated carriers of Russia and China (major city pairs):**

Moscow – Beijing	25 flights per week
Moscow – Shanghai	14 flights per week
Saint-Petersburg – Beijing	7 flights per week
Saint-Petersburg – Shanghai	7 flights per week

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## 2. For designated carriers of Russia:

### Local services:

Points in Russia (except Moscow and Saint-Petersburg) – Beijing

**100 flights per week, but not more than 7 flights per week for each route, except Novosibirsk-Beijing v.v. and Yekaterinburg-Beijing v.v. with no more than 10 flights per week for each route**

Points in Russia (except Moscow and Saint-Petersburg) – Shanghai

**14 flights per week, but not more than 7 flights per week for each route**

Points in Russia – 26 freely selected points in China (except Beijing and Shanghai)\*

**14 flights per week, for each route**

Note: \* 26 points in China: Taiyuan (TYN), Sanya (SYX), Guangzhou (CAN), Dalian (DLC), Harbin (HRB), Tianjin (TSN), Urumqi (URC), Mudanjiang (MDG), Qingdao (TAO), Manzhouli (NZH), Hailar (HLD), Xian (SIA), Chongqing (CKG), Jiamusi (JMU), Changchun (CGQ), Changsha (CSX), Wuhan (WUH), Shenyang (SHE), Hangzhou (HGH), Nanchang (KHN), Hohhot (HET), Chengdu (CTU), Yanji (YNJ), Haikou (HAK), Ordos (DSN) (after the airport is open to scheduled international flights), plus one point freely selected by Russian side.

### Triangular routes:

Berlin – Moscow – Beijing

**1 flight per week**

Points of intermediate stops and/or points beyond

points in Asia, Africa, Middle East, Far East and Northern America, 1 point in CIS countries to choose by the Russian Side

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Including with commercial landing in China (without 5<sup>th</sup> freedom traffic rights):

**14 flights per week, but not more than 5 flights per week via Beijing and 5 flights per week via Shanghai**

Including with 5<sup>th</sup> freedom traffic rights:

**3 flights per week from points in Russia excluding Moscow and Saint-Petersburg via points in China via/to Bangkok, Seoul**

Including with 5<sup>th</sup> freedom traffic rights:

**10 flights per week from points in Russia excluding Moscow and Saint-Petersburg via points in China excluding Beijing, Shanghai and Guangzhou, via/to Saipan and 2 points in Thailand**

Including with 5<sup>th</sup> freedom traffic rights:

**3 flights per week from points in Russia excluding Moscow and Saint-Petersburg via Beijing or Shanghai via/to Phuket or Krabi with aircraft under 160 seats**

*\*updated information about points of destination shall be submitted in writing to the other Party not less than sixty (60) days prior to the commencement of operations*

## B. CARGO AIR SERVICES

### 1. Common frequencies entitlements for designated carriers of Russia and China (major city pairs):

Moscow – Beijing	<b>21 flights per week</b>
Moscow – Shanghai	<b>28 flights per week</b>
Moscow – Tianjin	<b>14 flights per week</b>

### 2. For designated carriers of Russia:

#### Local services:

Points in Russia (except Moscow)-Beijing	<b>21 flights per week, but not more than 7 flights per week for each route</b>
Points in Russia (except Moscow)-Shanghai	<b>10 flights per week, but not more than 7 flights per week for each route</b>
Points in Russia (except Moscow)-Tianjin	<b>14 flights per week, but not more than 7 flights per week for each route</b>
Points in Russia – Harbin, Shenyang, Urumqi, Dalian, Guangzhou, Qingdao, Yiwu, Changchun, Zhengzhou, Chengdu, Xiamen, Xian and Chongqing	<b>14 flights per week for each route</b>

KEY

Triangular air services:

Points of intermediate stops and/or points beyond

one (1) point in CIS, points in Asia, Africa, Middle East, Far East and Northern America to choose by the Russian side

Including with commercial landing in China (without 5<sup>th</sup> freedom traffic rights):

**7 flights per week**, but not more than 3 flights per week via Beijing and 3 flights per week via Shanghai

Including with commercial landing in China (with 5<sup>th</sup> freedom traffic rights):

**5 flights per week**, from any point in Russia via one point in Asia to one point in China and beyond to three points in North America to be freely selected by Russia (without fifth freedom traffic rights in the direction from North America to China)

**1 flight per week**, from any point in Russia via Shanghai (Pudong) beyond to Dhaka, Bangladesh.

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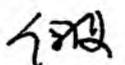
Appendix 4

Record of Discussion of the Airworthiness Subgroup

Irkutsk, Russia

August 3 and 4, 2016

1. FATA and CAAC recognized the necessity to revise the Agreement on Promoting Aviation Safety between the two governments signed on September 8, 2001 and the Implementation Procedures on Airworthiness after the transfer of the airworthiness function from IAC and DOT to FATA. They agreed to prepare of the draft of the revised Agreement and Implementation Procedures as soon as possible.
2. FATA and CAAC will establish a joint working group for the revision of the Agreement and the Implementation Procedures. The first meeting of the working group is planned to be held in Beijing in this November.
3. CAAC needs to get familiar with and build confidence on the new Russian aircraft certification system before the revision of the implementation procedures on airworthiness. FATA agreed to this and will provide all necessary information regarding its certification system to CAAC and invite the CAAC to visit Russia for the purpose of understanding its system.
4. The Russian side stated that the function of certification of design organization and production organization is planned to be transferred from the Ministry of Industry and Trade to FATA. A diplomatic note on this is expected to be issued to China in this August.
5. FATA proposed a draft of the revised Implementation Procedures, of which an electronic copy was provided to CAAC during the meeting. CAAC will review it and give the feedback.
6. For the project of the Mi-171 type validation in China, CAAC stated that it would be up to FATA's decision to cancel the Russian TC No. 90 or not. After discussion, it is agreed that the restoration of the TC No. 90 would be a better choice and FATA is working on this direction. The decision is expected to be made by FATA in this September and the TC issuance would need 2 to 3 months. FATA will notify CAAC soon after the TC is issued.
7. For the project of the RRJ-95B type validation in China, FATA stated that this project will be supported by FATA and no support from IAC would be required. CAAC agreed to continue its work on this project. CAAC had assigned this project to the Shanghai Aircraft Airworthiness Certification Center and the focal point is Mr. Zhang Haitao, who can be reached at [zhanghaitao\\_hd@caac.gov.cn](mailto:zhanghaitao_hd@caac.gov.cn) by email, +86 21 22321432 by email and +86 21 22322251 by fax. FATA may contact him directly for this project.
8. For the question about the SaM-145 engine validation in China, CAAC replied that right now China and EU were negotiating a bilateral aviation safety agreement and had determined that no new working agreement for type validation would be signed. This decision was made before the RRJ-95B application for type validation and CAAC had reminded Sukhoi of this risk when it received the



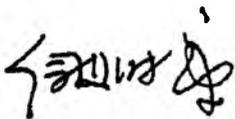
RRJ-95B application. CAAC agreed to give priority to the type validation of this engine provided it receives the application in the future when the China and EU bilateral aviation safety agreement is signed.

9. Regarding the VK-2500 engine type validation in China, it is agreed that the application should be made through FATA and a FATA recommendation letter is required. The type certificate issued by IAC AR may be used for the application as FATA clarified that the certificates issued by IAC before the issuance of the Decree No. 1283 are valid.
10. For the IL-96-400D aircraft, it is agreed that FATA can make recommendation to CAAC for the type validation application when there is a Chinese customer. FATA stated that it would forward the application to CAAC in the near future.
11. FATA stated that it is responsible for continuing airworthiness management in Russia. FATA, as the Authority of the State of Design, will transmit the mandatory continuing airworthiness information (MCAI, e.g. Airworthiness Directives) to CAAC for Russian made aircraft operated in China. It is further clarified that the Airworthiness Directives should be issued by the Authority only. FATA will send the Airworthiness Directives to Ms. Fu Jinhua, the CAAC focal point, at [ad@mail.castc.org.cn](mailto:ad@mail.castc.org.cn) and [shs\\_ad@caac.gov.cn](mailto:shs_ad@caac.gov.cn) by email, +86 10 64473608 by fax.
12. Both sides discussed the issue of Export Certificate of Airworthiness management in Russia. FATA will give CAAC more information on this in the future.
13. For the ongoing project of the MA60 aircraft type validation in Russia, FATA clarified that if the aircraft is intended for future operation in Russia, it would need the FATA type validation. The type validation effort of the MA60 aircraft done in the past would be recognized by FATA. In consideration that FATA knew little about the progress of this project at that time, it is agreed that further discussion would be made after FATA gets more information of the progress of this project.
14. It is clarified that the Type Certificate No. CT357-Y12E issued by IAC AR to HAFEI Y12E airplane on August 21, 2015 is valid as it was issued before the issuance of the Decree No. 1283.

Both sides agreed to incorporate the above record into the Meeting Minutes of the Civil Aviation group.

For Chinese side

For Russian Side



Yin Shijun

Chief Engineer of CAAC

Director General of CAAC-AAD



Mikhail V. Bulanov

Deputy of Head of FATA

