

## MEMORANDUM OF UNDERSTANDING

The delegations representing the Aeronautical Authorities of the Russian Federation and the Kingdom of Thailand met in Moscow on July 22-23, 2014 to discuss relating to air services between the two countries.

The list of delegations is attached hereto as Appendix I.

The discussions were held in a friendly and cordial atmosphere.

The delegations discussed the following matters:

### 1. Capacity and Frequencies

Sub paragraph 1.1 of the Memorandum of Understanding dated August 17, 2006 shall be replaced to be read as follows:

#### "1.1. Passenger services

The designated airlines of the Russian Federation shall be permitted to operate with any type of aircraft from any points in Russia as follows:

- up to 70 weekly services to Bangkok;
- up to 28 weekly services to Phuket;
- up to 7 weekly services to Krabi;
- unlimited weekly services to U-tapao.

The designated airlines of the Kingdom of Thailand shall be permitted to operate with any type of aircraft from any points in Thailand as follows:

- up to 70 weekly services to Moscow;
- up to 28 weekly services to Saint-Petersburg;
- up to 7 weekly services to Novosibirsk;
- unlimited weekly services to Vladivostok."

The Russian delegation proposed to remove all frequency and capacity limitations in the air services between Russia and Thailand. The Thai Delegation informed that this issue should be discussed during the next round of consultations.



## **2. Route Schedule**

Pursuant to the Route Schedule annexed to the Air Transport Agreement between the Government of the Russian Federation and the Government of the Kingdom of Thailand signed on April 18, 1996 (the ATA) as amended by Memorandum of Understanding dated August 17, 1996, the two delegations agreed to change Irkutsk to Novosibirsk as a point of destination for Thai designated airlines and to change Chiang Mai to Krabi as a point of destination for the Russian designated airlines.

## **3. Amendment of the ATA**

- 3.1. The two delegations reaffirmed the multiple designation as prescribed in Article 6 of the ATA (English Version).
- 3.2. The two delegations agreed to amend Article 14 Tariffs of the ATA. The text is enclosed in the Appendix II.
- 3.3. The Thai delegation proposed to add new Articles to the ATA (Safeguards and Safety) as enclosed in Appendix III. The Russian delegation would inform its position in the next round of consultations.

## **4. Leased Aircraft**

The two delegations agreed to delete Paragraph 1(b) of the Confidential Memorandum of Understanding dated December 8, 1993 and further agreed that the designated airlines of each Contracting Party shall have the right to perform their services under this agreement by using leased aircraft from any company, provided that the aircraft is included in the AOC of designated airline under the Article 83bis of Chicago convention. Utilization of wet-leased aircraft is not permitted.

## **5. Other Matters**

### **5.1. Fifth Freedom Traffic rights**

The two delegations exchanged their opinions on the issues regarding fifth freedom traffic rights and would further discuss in the next round of consultations.



5.2. SLOT Allocation

The two delegations exchanged their views on the matter of SLOT Allocation in the airports of Bangkok, Phuket and Domodedovo.

5.3. Trans-Siberian Route Network operations

The Russian delegation informed that any operations along Transpolar, Trans-Siberian and Trans-Asian routes in the Russian air space shall be subject to the separate agreement between the Aeronautical Authorities of both countries. The Thai delegation took note of this issue.

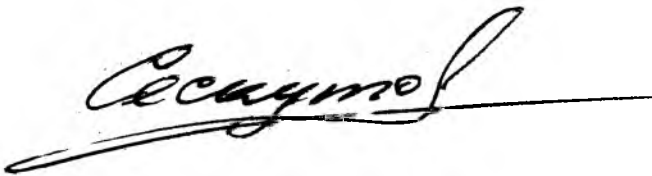
5.4. Co-operative Marketing Arrangements

The Russian delegation proposed to remove all the limitations on code-sharing limitations, as per Attachment IV. The Thai delegation would inform its position in the next round of consultations.

This Memorandum of Understanding shall enter into force after the exchange of the Diplomatic Notes.

Done in Moscow on July 23, 2014

**For the Delegation  
of the Russian Federation**



Sergey A. Seskutov

**For the Delegation  
of the Kingdom of Thailand**



Voradej Harnprasert

## Delegation of the Russian Federation

1	Mr. Sergey A. Seskutov	Deputy Director Department of State Policy in Civil Aviation, Ministry of Transport of the Russian Federation
2	Mrs. Olga S. Kanval	Expert of Air Services Division, Department of State Policy in Civil Aviation, Ministry of Transport of the Russian Federation
3	Ms. Maria S. Sorokina	Expert of Bilateral Cooperation Division, International cooperation Department, Ministry of Transport of the Russian Federation
4	Ms. Paulina K. Malinina	Deputy Head of International Relations Division, International Cooperation Department, Federal Air Transport Agency
5	Ms. Anna Y. Ushatova	Advisor of International Relations Division, International Cooperation Department, Federal Air Transport Agency
6	Mr. Timur A. Zevakhin	First Secretary, the Third Department of Asia, Ministry of Foreign Affairs of the Russian Federation
7	Ms. Anna S. Zentcova	Ural Airlines
8	Mrs. Natalya V. Pechinkina	Transaero Airlines
9	Mr. Alexey A. Sumchenko	OrenAir
10	Ms. Nadezda V. Kuzmina	Aircompany Yakutia
11	Ms. Svetlana V. Piven	S7 "Siberia"
12	Mr. Maxim B. Titov	S7 "Siberia"
13	Mr. Igor N. Regush	Aeroflot
14	Mr. Sergey A. Goryashko	Nordwind Airlines
15	Mrs. Maria V. Skvortsova	Nordwind Airlines
16	Mr. Kamil R. Feyzrakhmanov	Polet Airlines
17	Mr. Yuri Gutchenko	Vnukovo International Airport
18	Ms. Anna F. Varshavskaya	Novoport

## Delegation of the Kingdom of Thailand

1	Mr. Voradej Hamprasert	Director General, Department of Civil Aviation
2	Mr. Yongyuth Manochayakorn	Director of International Cooperation Bureau, Ministry of Transport
3	Mr. Pvitpol Harisaphan	Chief of Air Services Agreement and Negotiation Group, Department of Civil Aviation
4	Ms. Raweewan Buraruck	Chief of International Affairs Group, Department of Civil Aviation
5	Mr. Anant Kanaviwatchai	Transport Technical Officer, Department of Civil Aviation
6	Mr. Jirasak Tansuriwongse	Manager, Air Services Agreement Department, Thai Airways International PCL
7	Mr. Manan Boonyachai	General Manager, Russian Federation and other CIS countries Thai Airways International PCL
8	Mr. Boonyarit Vichienpuntu	Counsellor, Royal Thai Embassy, Moscow

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## Article 14

### Tariffs

1. The tariffs in respect of the agreed services operated by the designated airline(s) of each Contracting Party shall be established by each designated airline based upon its commercial considerations in the market place at reasonable levels, due regard being paid to all relevant factors, including the cost of operation and reasonable profit.
2. The tariffs established under paragraph 1 shall not be required to be filed by the designated airline(s) of one Contracting Party with the aeronautical authorities of the other Contracting Party.
3. Notwithstanding the foregoing, each Contracting Party shall have the right to intervene so as to:
  - a) prevent tariffs whose application constitutes anti-competitive behavior which has or is likely to or intended to have the effect of crippling a competitor or excluding a competitor from a route;
  - b) protect consumers from tariffs that are excessive or restrictive due to the abuse of a dominant position; and
  - c) protect airlines from tariffs that are predatory or artificially low.
4. For the purposes set out in paragraph 3 of this Article, the designated airline(s) of each Contracting Party may be required to provide to the aeronautical authorities of the other Contracting Party information relating to the establishment of the tariffs.

5. If one Contracting Party believes that the tariff charged by designated airline(s) of the other Party is inconsistent with considerations set forth in paragraph 3 of this Article, it shall notify the other Contracting Party of the reasons for its dissatisfaction as soon as possible and request consultations which shall be held in the mutually acceptable day after receipt of the request. If the Contracting Parties reach an agreement with respect to the tariff for which a notice of dissatisfaction has been given, each Contracting Party shall use its best efforts to put that agreement into effect. In the absence of such an agreement, the previously existing tariff shall continue to be in effect.



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## Article 14 bis

### Safeguards

1. The Contracting Parties agree that the following airline practices may be regarded as possible unfair competitive practices which may merit closer examination:

- a) charging fares and rates on routes at levels which are, in the aggregate, insufficient to cover the costs of providing the services to which they relate;
- b) the addition of excessive capacity or frequency of service;
- c) the practices in question are sustained rather than temporary;
- d) the practices in question have a serious economic effect on, or cause significant damage to, another airline;
- e) the practices in question reflect an apparent intent or have the probable effect, of crippling, excluding or driving another airline from the market; and
- f) behaviour indicating an abuse of dominant position on the route.

2. If the aeronautical authorities of one Contracting Party consider that an operation or operations intended or conducted by the designated airline of the other Contracting Party may constitute unfair competitive behaviour in accordance with the indicators listed in paragraph 1, they may request consultation in accordance with Article 21 (Consultations) with a view to resolving the problem. Any such request shall be accompanied by notice of the reasons for the request, and the consultation shall begin within fifteen (15) days of the request.



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3. If the Contracting Parties fail to reach a resolution of the problem through consultations, either Contracting Party may invoke the dispute resolution mechanism under Article 22 to resolve the dispute.

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Article 5 bis

Safety

1. Each Contracting Party may request consultations at any time concerning the safety standards maintained by the other Contracting Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. Such consultations shall take place within thirty days of that request.
  
2. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 1 that meet the Standards established at that time pursuant to the Convention on International Civil Aviation (DOC 7300), the other Contracting Party shall be informed of such findings and of the steps considered necessary to conform with the ICAO Standards. The other Contracting Party shall then take appropriate corrective action within an agreed time period.
  
3. Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of an airline of one Contracting Party, on service to or from the territory of another Contracting Party, may, while within the territory of the other Contracting Party be the subject of a search by the authorized representatives of the other Contracting Party, provided this does not cause unreasonable delay in the operation of the aircraft. Notwithstanding the obligations mentioned in Article 33 of the Chicago Convention, the purpose of this search is to verify the validity of the relevant aircraft documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the Standards established at that time pursuant to the Convention.
  
4. When urgent action is essential to ensure the safety of an airline operation, each Contracting Party reserves the right to immediately suspend or vary the operating authorization of an airline or airlines of the other Contracting Party.



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5. Any action by one Contracting Party in accordance with paragraph 4 above shall be discontinued once the basis for the taking of that action ceases to exist.

6. With reference to paragraph 2, if it is determined that one Contracting Party remains in non-compliance with ICAO Standards when the agreed time period has lapsed, the Secretary General of ICAO should be advised thereof. The latter should also be advised of the subsequent satisfactory resolution of the situation.

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**Article 5 bis**

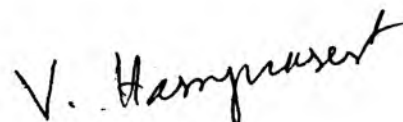
**Safety**

(1) Each Contracting Party may request consultations at any time concerning safety standards in any area relating to aircrews, aircraft or their operation adopted by the other Contracting Party. Such consultations shall take place within 30 days of that request.

(2) If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in any such area that are at least equal to the minimum standards established at that time pursuant to the Chicago Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards, and the other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within 15 days or such longer period as may be agreed, shall be grounds for the application of Article 7 of this Agreement (revocation and suspension of operating authorisation).

(3) Notwithstanding the obligations mentioned in Article 33 of the Chicago Convention it is agreed that any aircraft operated by or, under a lease arrangement, on behalf of the airline or airlines of one Contracting Party on services to or from the territory of the other Contracting Party may, while within the territory of the other Contracting Party, be made the subject of an examination by the authorised representatives of the other Contracting Party, on board and around the aircraft to check both the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment (in this Article called "ramp inspection"), provided this does not lead to unreasonable delay.

(4) If any such ramp inspection or series of ramp inspections gives rise to:



(a) serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Chicago Convention; or

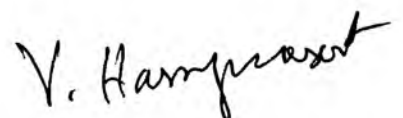
(b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Chicago Convention;

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the Chicago Convention, be free to conclude that the requirements under which the certificate or licences in respect of that aircraft or in respect of the crew of that aircraft had been issued or rendered valid or that the requirements under which that aircraft is operated are not equal to or above the minimum standards established pursuant to the Chicago Convention.

(5) In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the airline or airlines of one Contracting Party in accordance with paragraph (3) of this Article is denied by a representative of that airline or airlines, the other Contracting Party shall be free to infer that serious concerns of the type referred to in paragraph (4) of this Article arise and draw the conclusions referred in that paragraph.

(6) Each Contracting Party reserves the right to suspend or vary the operating authorisation of an airline or airlines of the other Contracting Party immediately in the event the first Contracting Party concludes, whether as a result of a ramp inspection, a series of ramp inspections, a denial of access for ramp inspection, consultation or otherwise, that immediate action is essential to the safety of an airline operation.

(7) Any action by one Contracting Party in accordance with paragraphs (2) or (6) of this Article shall be discontinued once the basis for the taking of that action ceases to exist.



### Co-operative Marketing Arrangements

1. The designated airline(s) of each Contracting Party may enter into co-operative marketing arrangements, such as code-share, block space or any other joint venture arrangement, with –
  - (a) any airline(s) of the same Contracting Party; or
  - (b) any airline(s) of the other Contracting Party; or
  - (c) any airline(s) of a third country, holding appropriate traffic rights.
2. The designated airline(s) of either Contracting Party may enter into co-operative marketing arrangements with airline(s) of the other Contracting Party to offer code share services beyond the point(s) of entry to another point(s) within the territory of the other Contracting Party (*domestic code share*) without exercising cabotage rights between these points and provided that such services form part of a through international journey.
3. The designated airline(s) of either Contracting Party shall be entitled to exercise own stopover traffic rights at points of call in the territory of the other Contracting Party, both for own physical operations (i.e. while operating its own aircraft) and, also for code share services i.e. while the aircraft is being operated by the code share partner.
4. The operating airline(s) involved in the co-operative marketing arrangements shall hold the underlying traffic rights including the route rights and the capacity entitlements and meet the requirements normally applied to such arrangements.
5. All marketing airline(s) involved in the co-operating arrangements shall meet the requirements normally applied to such arrangements.
6. The total capacity operated by the air services performed under such arrangements shall be counted only against the capacity entitlement of the Contracting Party designating the operating airline(s). The capacity offered by the marketing airline(s) on such services shall not be counted against the capacity entitlement of the Contracting Party designating that airline.



7. The designated airline(s) of either Contracting Party shall be allowed to transfer traffic (i.e. starburst) between aircraft involved in the code-share operations without restriction as to number, size and type of aircraft.

8. In addition to the operating airline(s), the aeronautical authorities of each Contracting Party may require the marketing airline(s) to file schedules for approval and also provide any other documents before commencement of air services under the co-operative marketing arrangements.

9. When holding out services for sale under such arrangements, the concerned airline or its agent shall make it clear to the purchaser at the point of sale as to which airline shall be the operating airline on each sector of the service and with which airline(s) the purchaser is entering into a contractual relationship.

10. Before providing code sharing services, the code sharing partners shall agree as to which Party shall be responsible for security, safety, facilitation, liability and other consumer related matters. Such an agreement shall be filed with the aeronautical authorities of both Contracting Parties before implementation of the code-share arrangements.

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