

## MEMORANDUM OF UNDERSTANDING

Delegations representing the Aeronautical Authorities of the Republic of Austria and of the Russian Federation met on 26 and 27 July 2016 in Vienna to review and update the present regulatory bilateral framework pursuant to the Air Transport Agreement between the Government of the Republic of Austria and the Government of the Russian Federation signed at 8 November 1993 (referred to hereafter as the ATA).

The lists of the two Delegations are attached as Appendix 1.

The negotiations were held in a cordial and friendly atmosphere, and both delegations expressed their desire to further promote their aeronautical relations in a spirit of cooperation and complete understanding for their mutual benefits.

Both Delegations reached the following understanding:



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## **2. Capacity regime**

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

Further to the provisions of paragraph 2a of the Memorandum of Understanding between the Aeronautical Authorities of the Republic of Austria and the Russian Federation dated 5 September 2012, both Delegations agreed on the following increase for both sides:

on the route Moscow – Vienna and v.v. shall be designated up to three (3) air carriers, the frequencies on this specified route shall be increased to 42 weekly frequencies; for the Russian side provided that the third Russian designated air carrier shall operate up to seven (7) services per week;

on the route Vienna – Krasnodar and v.v. the frequencies for the designated air carriers shall be increased up to 18 weekly frequencies;

on the route Moscow – Salzburg and v.v. shall be designated up to three (3) air carriers, the frequencies on this specified route shall be increased to 18 weekly frequencies; for the Russian side the third designated air carrier shall operate up to four (4) services per week in addition to already 14 frequencies granted.

## **3. Ground Handling and Maintenance**

The Austrian side proposed to include the following provisions on ground handling and maintenance:

### **Ground Handling**

Each designated air carrier shall have the right to provide its own ground handling services ("self-handling") in the territory of the other side or otherwise to contract these services out ("third party-handling"), in full or in part, at its option, with any of the suppliers authorized for the provision of such services. Where or as long as the laws and regulations applicable to ground handling in the territory of one side prevent or limit either the freedom to contract these services out or self-handling, each designated airline shall be treated on a non-discriminatory basis as regards their access to self-handling and ground handling services provided by a supplier or suppliers.

The term "self-handling" means a situation in which the airport user directly provides for himself one or more categories of ground handling services and concludes no contract of any description with a third party for the provision of such services; for the purpose of this definition, among themselves airport users shall not be deemed to be third parties where:

- a) one holds the majority in the other, or
- b) a single body has a majority holding in each.



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## **Maintenance**

Each designated air carrier shall have the right to provide its own servicing, maintenance, or repair of aircraft in the territory of the other side or otherwise to contract these services out, in full or in part, at its option, with any of the suppliers authorized for the provision of such services and licensed at the given airports. Servicing and defect rectification can also be performed for airlines where a) one holds the majority in the other, or b) a single body has a majority holding in each.

The Russian side stated that it is not in a position to accept these proposals.

## **4. Protocol Amending the Air Services Agreement**

The Austrian side raised the issue of entry into force of the protocol between the Government of the Russian Federation and the Government of the Republic of Austria which was agreed in November 2011.

The Russian side responded that internal procedures required in accordance with Russian legislation on this issue are not completed yet.

## **5. Modernization of the existing system of utilization of the Trans-Siberian routes**

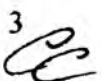
Both Delegations exchanged views on the modernisation of the existing system of utilisation of the Transsiberian routes. The Austrian side requested the implementation of the Agreed Principles in the framework of the bilateral aviation relations. Both sides decided that any issues relating to air services between the two countries will be discussed and decided bilaterally between the Aeronautical Authorities of the Russian Federation and the Republic of Austria. The Russian Delegation stated that in the case of interference by third parties these arrangements may be reviewed.

## **6. AOB**

### Operations to Linz

The Russian Delegation strongly requested Russian and Austrian air carriers to consider the possibility to start the performance of regular flights on the route Moscow – Linz and v.v.. The Austrian Aeronautical Authorities stated that it will welcome the request of the air carrier to perform regular flights on the route Moscow – Linz. The representatives of the airlines took note of the request mentioned. The Austrian Delegation proposed to perform intermodal services on the route Moscow – Linz – Vienna, where the route Linz – Vienna will be performed by train or other type of transport.



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### Violation of bilateral Air Transport Agreement

The Austrian Delegation raised its concern about services performed by Pobeda airline, which sells tickets on the route Moscow – Vienna v.v. without having traffic rights and without being designated. Such activity violates the bilateral arrangements based on the Air Transport Agreement.

The Austrian Delegation stated that Pobeda airline shall bring its reservation and ticketing procedure into the compliance with its designation and rights.

The Austrian Delegation requested the Russian Delegation to take steps to stop such operations which are not in compliance with the bilateral framework.

### Facilitating the bilateral framework

Both sides agreed to establish an overview of designations, designated airlines by the Contracting Parties, available traffic rights and overflight rights on the agreed routes. In this regard, both sides agreed to provide each other with an updated list of its designated carriers prior to the next meeting (e.g. ICAN 2016).

Moreover, both sides agreed to review the route Annex on its completeness and to adapt it if necessary at the next meeting.

### Slots in INN

The Russian Delegation raised its concerns about the lack of acceptable slots at Innsbruck Airport and emphasised its strong belief that all operations of the designated air carriers should be on the basis of fair and equal opportunity and requested day time Saturday slots in Innsbruck Airport.

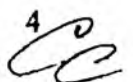
The Austrian side stated that in Austria airport slots/airport capacity are allocated in compliance with existing rules and international standards on slot allocations and cannot be covered by bilateral arrangements between the Aeronautical Authorities.

### ICAO Assemblv. 39<sup>th</sup> session

The delegations exchanged views on the upcoming ICAO Assembly in Autumn 2016. The Austrian delegation stated that it was fully engaged in the ICAO negotiations on a Global Market-Based Measure for international aviation and expected to reach agreement on a credible MBM in the upcoming Assembly.

The Austrian side encouraged the Russian side - a global player in aviation - to help to reach the global goal which is the carbon neutral growth of international aviation emissions as of 2020.

The Russian side took note of this.



Next round of consultations

Both sides agreed to hold a next round of consultations at ICAN 2017.

**Entry into effect:**

This Memorandum of Understanding will come into effect on the date of signature. Provisions of the previous arrangements not covered in this Memorandum of Understanding will remain in effect.


Done in Vienna, on 27 July 2016.

For the Civil Aviation Authorities of Austria



SILVIA GEHRER  
Director General International

For the Civil Aviation Authorities of the  
Russian Federation



SERGEY SESKUTOV  
Deputy Director Department of State Policy in  
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**Delegation of Austria**

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**Observers**

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<b>Ms. Stefanie ZUGMANN</b>	<b>Austrian Airlines</b>
<b>Ms. Katrin KNAPP</b>	<b>Niki Luftfahrt</b>
<b>Mr. Günter SEIBT</b>	<b>Niki Luftfahrt</b>
<b>Mr. Wolfgang GALLISTL</b>	<b>Austrian Airport Association</b>
<b>Mr. Robert BREITENFELD</b>	<b>Vienna Airport</b>
<b>Mr. Stefan EHRENGRUBER</b>	<b>Vienna Airport</b>



## **Delegation of the Russian Federation**

<b>Mr. Sergey SESKUTOV</b>	<b>Head of Delegation; Deputy Director Department of State Policy in Civil Aviation Ministry for Transport</b>
<b>Mr. Nikolay CHUGUNOV</b>	<b>The Second Secretary Embassy of the Russian Federation in Austria</b>
<b>Mr. Alexander I. POTEKIN</b>	<b>Trade representative of the Russian Federation in Austria</b>
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### **Observers**

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