

AGREED MINUTES

Delegations of the Aeronautical Authorities of the Russian Federation and the Republic of Finland met in Helsinki, Finland on 17-18 February 2011 to discuss matters related to the Air Services Agreement between the Government of the Russian Federation and the Government of the Republic of Finland, signed on 8 December 1993 (ASA).

The list of the delegations is attached hereto as Appendix 1.

The discussions were conducted in an open and friendly atmosphere. The delegations discussed the following matters:

1. Amendments to the ASA

The Finnish delegation had sent new proposals for amendments to the ASA in December 2010. During the meeting the Russian delegation presented a draft protocol which partly corresponded to the Finnish proposals. In addition the draft protocol included draft articles on safety, visa regime and the environment.

The delegations preliminarily agreed on the amendments to the ASA to bring it into conformity with EU legislation. The delegations also preliminarily agreed to include into the ASA an article on safety and an article on simplified procedures of arrival to and departure from the territories of the Parties. The agreed amendments are attached hereto as Appendix 2. The final approval of the amendments depends on the decision of the respective Governments.

The delegations agreed to come back to the proposal on the environment after consulting the European Commission and the relevant authorities in both countries.

As a consequence to the deletion of the provision on commercial agreements (article 3 paragraph 4) the Parties noted that the airlines continue their co-operation. The airlines will take into account the practical needs in line with the applicable competition legislation to develop the aviation connections and markets.

The Russian delegation emphasized the parity principle of one airline per city-pair and the need to continue current practice. While recognizing the position of the Russian delegation, the Finnish delegation expressed its strong wish to discontinue this practice and to gradually open up the aviation market in this respect. As a first step the Finnish delegation proposed that this could be done by extending the parity principle to airport-pair. However, the delegations agreed to continue the implementation of the multi designation principle between the countries and the single designation principle per city-pair for the time being. The Russian delegation

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stated that in relations with its foreign partners it does not apply airport-pairs principle but only city-pair principle.

Both delegations confirmed that filing of tariffs to the Aeronautical Authorities is no longer required.

The delegation of Finland informed that due to the organizational changes in Finland, the Finnish Transport Safety Agency is the competent Aeronautical Authority in accordance with Article 1 of ASA.

2. Scheduled services between Russian Federation and Finland

The delegations confirmed the comprehensive chart of the existing routes attached hereto as Appendix 3.

The Finnish delegation proposed that the following routes would be added in part 2 of the Annex to the ASA as new routes:

- Kuusamo – Saint-Petersburg
- any point in Finland – Kazan
- any point in Finland – Novosibirsk
- any point in Finland – Ufa
- any point in Finland – Perm
- any point in Finland – Samara
- any point in Finland – Nizni-Novgorod.

The Finnish delegation informed that a Finnish airline has expressed its interest to start flying between Helsinki and Petrozavodsk.

3. Code Sharing

Both delegations agreed on the following wording:

Any designated airline may enter into commercial and/or co-operative marketing arrangements including, but not limited to, blocked-space or code-sharing arrangements, with any other airline, including an airline of a third country, provide that:

- a) the operating airline in such arrangements holds the appropriate operating authorization and traffic rights;
- b) both, the operating and marketing airlines hold the appropriate route rights¹;
- c) no service is held out 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

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

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- 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 code sharing arrangements is consistent with bilateral arrangements with any relevant third country; and
 - g) code sharing agreements will be subject to approval by the Aeronautical Authorities of both sides.

4. Cargo Transportation

The delegations agreed to introduce a separate regime concerning all cargo transportation between the territories of the Parties according to the route schedule, including unlimited number of airlines per city-pair, type of aircraft, capacity and frequencies with full 3rd and 4th freedom traffic rights.

5. Simplified Visa Procedures

The Finnish delegation informed that if a route is opened to a destination in which there is no Finnish consulate, the Finnish Ministry of Foreign Affairs is committed to making corresponding arrangements as in Moscow and St. Petersburg.

The Russian delegation stated its wish to extend the 72 hours visa freedom rule from cruise ship visits to St. Petersburg and Vyborg also to air passengers. The Finnish delegation took note of the proposal.

6. EU – Russian relations

Both delegations noted with satisfaction the dialogue between the Russian Federation and the European Commission.

The Finnish delegation referred to the “Agreed Principles of the Modernization of the existing system of the utilization of the Trans-Siberian routes” and expressed a strong wish that the Agreed Principles will be implemented as soon as the accession of the Russian Federation to WTO is finalized.

7. Bilateral SAR Agreement

The delegations took note of the presentation of the Finnish Border Guard on the possible amendment to the bilateral Agreement between the Government of the Republic of Finland and the Government of the Russian Federation in Maritime and

Aviation Search and Rescue done on 5 March 1993, and agreed to further explore the matter.

8. Next meeting

The two Delegations agreed to hold the next round of formal consultations in Russia in June 2011.

Done in Helsinki on 18 February 2011 in two original copies in the English language.

For the Delegation of the Russian Federation



Oleg Demidov

For the Delegation of the Republic of Finland



Silja Ruokola

APPENDIX 2

PROTOCOL BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE REPUBLIC OF FINLAND AMENDING THE AIR SERVICES AGREEMENT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE REPUBLIC OF FINLAND DONE ON DECEMBER 8, 1993

The Government of the Russian Federation and the Government of the Republic of Finland amending the Air Services Agreement between the Government of the Russian Federation and the Government of the Republic of Finland done on December 8, 1993 (hereinafter referred to as "the present Agreement")

have agreed as follows:

Article 1

1. To delete paragraph 4 of Article 3.
2. To delete second sentence of paragraph 1 of Article 4.
3. To amend paragraph 4 of Article 4 as follows:
 - "4. Each Contracting Party shall have the right to refuse the operating authorization referred to in paragraph 2 of the present Article or to impose such conditions as it may deem necessary on the exercise by the designated airline of the rights specified in Article 3 of the present Agreement, in any case where the said Contracting Party is not satisfied that:
 - a) in the case of an airline designated by the Russian Federation
 1. it is established in the territory of the Russian Federation and has a valid Air Operator Certificate in accordance with the legislation applicable in the Russian Federation; and
 2. effective regulatory control of the airline is exercised and maintained by the State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authority is clearly identified in the designation."
 - b) in the case of an airline designated by the Republic of Finland,

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1. it is established in the territory of Finland and has a valid Operating Licence and Air Operator Certificate in accordance with the legislation applicable in Finland; and
2. effective regulatory control of the airline is exercised and maintained by the State responsible for issuing its Air Operator's Certificate and the relevant aeronautical authority is clearly identified in the designation."

4. To amend paragraph 1 of Article 5 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 present 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 4 paragraph 4 of the present Agreement; or
- b) in case of a failure by that airline to comply with the laws or the regulations in force 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 present Agreement; or
- d) in case the airline is already authorized to operate under a bilateral agreement between the Russian Federation and another European Union Member State and the Russian Federation can demonstrate that, by exercising traffic rights under the present Agreement on a route that includes a point in that other European Union Member State, the airline would be circumventing restrictions on traffic rights imposed by the bilateral agreement between the Government of the Russian Federation and the Government of that other European Union Member State; or
- e) in case the designated airline holds an Air Operators Certificate issued by an European Union Member State with which the Russian Federation does not have a bilateral air services agreement and that Member State has denied traffic rights to the airline designated by the Russian Federation.
- f) in case the airline is already designated to operate under a bilateral agreement between the Russian Federation and another European Union Member State

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5. To replace Article 10 as follows:

“Article 10

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, the interest of users, reasonable profit, class of service and when it is deemed suitable, the tariffs of other airlines operating over whole or part of the routes specified in the Routes schedule annexed to the present Agreement.

2. The tariffs referred to in this Article may be developed independently by the designated airline.

3. Where the Aeronautical Authorities of one or either of the Contracting Parties proposed to intervene in a tariff, the primary objectives of such intervention shall be:

- (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, where evidence exist 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 purposes mentioned in paragraph 3 of this article. The Aeronautical Authorities may require the information to be submitted within 30 days.

6. To include into the present Agreement Article 14 bis as follows:

“Article 14 bis

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

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standards established at that time pursuant to the 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 that other Contracting Party shall take appropriate corrective action. Failure by the other Contracting Party to take appropriate action within fifteen (15) days or such longer period as may be agreed, shall be grounds for the application of Article 5 (revocation, suspension and variation of operating authorisations) of the present Agreement.

3. Notwithstanding the obligations mentioned in Article 33 of the Convention it is agreed that any aircraft operated by the designated 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 authorized 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 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 Convention,

the Contracting Party carrying out the inspection shall, for the purposes of Article 33 of the 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 below the minimum standards established pursuant to the Convention.

5. In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by or on behalf of the airline or airlines of one Contracting Party in accordance with paragraph (3) above 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

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paragraph (4) above arise and draw the conclusions referred in that paragraph.

6. Each Contracting Party reserves the right to suspend or vary the operating authorization 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 the airline operation.

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

[7. To include into the present Agreement Article 14 ter as follows:

“Article 14 ter

Contracting Parties support the need to protect the environment by promoting the sustainable development of aviation. Contracting Parties agree with regard to operations between their respective territories to comply with the standards established at that time pursuant to the Convention and the existing International Civil Aviation Organization policy and guidance on environmental protection and refrain from unilateral actions when applying market based measures on carbon emissions reduction.]

8. To include into the present Agreement Article 14 quarter as follows:

“Article 14 quarter

1. Contracting Parties shall, in accordance with the Convention and legislation binding on each Contracting Party, apply on mutual basis simplified procedures of arrival to and departure from the territory of the Russian Federation and the territory of Finland accordingly for members of crewmembers of the airlines of the Russian Federation and Finland providing agreed air services on the routes specified in the present Agreement including non-regular flights. Such crew members should have valid passports or other equivalent documents, and also a valid crew members certificates in accordance with standards established at that time pursuant to the Convention and provided that their general flight declaration contains this information. Crew members are allowed to arrive in the territory of the Russian Federation or Finland and remain



temporary at the airport where the aircraft has stopped or within the confines of cities adjacent thereto and depart on the same aircraft or their next regularly scheduled flight without visa.

2. Similar procedure is applied to those crew members participating in non-regular flights from (or in direct of) international airports located in the Russian Federation or in Finland accordingly, provided abovementioned members depart on the first flight of this aircraft.”

Article 2

The present Protocol, which constitute the integral part of the present Agreement, shall enter into force 30 days after receipt of the last notification through diplomatic notes by the Parties that it has fulfilled the necessary measures in accordance with its laws and regulations for the entry into force of the present Protocol, and remains in force as long as the present Agreement remains in force.

Done in _____ on _____ in duplicate in Russian, Finnish and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

**For the Government of the Russian
Federation**

**For the Government of the Republic
of Finland**



Specified Routes between Russia and Finland

Routes which may be operated by the designated airline(s) of Russian Federation in both directions:

Route	Specifications	The Arrangement the route is based on
a) Moscow - Helsinki		1993 ASA
	14 frequencies 14 all cargo frequencies	2008 AM 2008 CMoU
b) St. Petersburg - Helsinki		1993 ASA
	11 frequencies	2008 AM
c) St. Petersburg - Tampere		1993 ASA
d) St. Petersburg and/or Murmansk - Rovaniemi		1993 ASA
e) Sochi (Adler) - Helsinki		1993 ASA
f) Petrozavodsk (Petroskoi) – Joensuu and/or Helsinki		1993 ASA
g) Points in the Russian Federation - Helsinki	Unspecified points may be freely selected by the Contracting Party concerned.	1993 ASA
	2 cargo flights per week	2004 correspondence
	The Finnish delegation confirmed that all cargo flights by a Russian designated airline can be operated on the following route: Krasnoyarsk - Helsinki	2009 AM
h) Points in the Russian Federation – Helsinki and/or another point in Finland – points in Europe, Central and Northern America and beyond to third countries	Another point in Finland and points beyond in third countries are subject to agreement between the aeronautical authorities of the Contracting Parties. The designated airline(s) of the Russian Federation may on any or all flights omit calling at any points on the routes and serve the points in any order, provided that the agreed services on these routes begin in the Russian Federation.	1993 ASA
Helsinki – two points in North America: Los Angeles, Vancouver or Calgary	2 weekly frequencies in both directions with 5th freedom traffic rights Los Angeles, Vancouver and Calgary can be changed to the other points in North	1995 CMoU

	America by an agreement between aeronautical authorities	
Helsinki – two points in Europe: Any points can be freely specified by Russian side except points in Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxemburg, Netherlands, Portugal, United Kingdom, Austria, Sweden and except capitals of such countries as Ukraine, Poland, Hungary, Norway, Czech, Latvia, Lithuania and Estonia	2 weekly frequencies in both directions with 5th freedom traffic rights Los Angeles, Vancouver and Calgary can be changed to the other points in North America by an agreement between aeronautical authorities	1995 CMoU
i) Helsinki – Moscow - Tokyo	May be operated only in accordance with separate agreement between the aeronautical authorities of the Contracting Parties.	ASA 1993
	2 weekly frequencies for Finnair and Aeroflot, intermediate landings at Moscow may, at the option of the airline concerned, be omitted, subject to commercial agreement	2003 CMoU
	3 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
	Each Russian and Finnish designated airline has 24,5 frequencies per week on the Trans-Siberian Route Systems	2009 CMoU
j) Helsinki – Moscow - Beijing	May be operated only in accordance with separate agreement between the aeronautical authorities of the Contracting Parties.	ASA 1993
	3 weekly frequencies for Finnair and Aeroflot, intermediate landings at Moscow may, at the option of the airline concerned, be omitted, subject to commercial agreement	2003 CMoU
	3,5 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU

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	each designated airline on the Trans-Siberian Route System	
Helsinki – Hongkong	3,5 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
Helsinki – Moscow - Seoul	2,5 frequencies per week for each Russian and Finnish designated airline	2008 CMoU
Helsinki – Moscow- Nagoya	2,5 frequencies per week for each Russian and Finnish designated airline	2008 CMoU
St. Petersburg – Turku – St. Petersburg		2010 AM(and 2010 CMoU)

Routes which may be operated by the designated airline(s) of **Finland** in both directions:

Route	Specifications	The Arrangement the route is based on
a) Helsinki - Moscow		1993 ASA
	14 frequencies	2008 AM
b) Helsinki – St. Petersburg		1993 ASA
	11 frequencies	2008 AM
c) Tampere - St. Petersburg		1993 ASA
d) Helsinki and/or Rovaniemi - Murmansk		1993 ASA
e) Helsinki and/or Joensuu – Petrozavodsk (Petroskoi)		1993 ASA
f) Points in Finland - Moscow	Unspecified points may be freely selected by the Contracting Party concerned.	1993 ASA
	The Russian delegation confirmed the following routes can be operated: Kittilä – Moskova Kuusamo – Moskova Ivalo – Moskova Kuopio - Moskova	2009 AM
g) Points in Finland – Moscow and/or another point in the Russian Federation – points in Europe, the Middle Near East, South Asia and South-East Asia and beyond to third countries	Another point in the Russian Federation and points beyond in third countries are subject to agreement between the aeronautical authorities of the Contracting Parties. The designated airline(s) of the Republic of Finland may on any or all flights omit calling at any points on the routes and serve the points in any order, provided that the agreed services on these	1993 ASA

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	routes begin in the Republic of Finland.	
h) Helsinki – Moscow - Tokyo	May be operated only in accordance with separate agreement between the aeronautical authorities of the Contracting Parties.	ASA 1993
	2 weekly frequencies for Finnair and Aeroflot, intermediate landings at Moscow may, at the option of the airline concerned, be omitted, subject to commercial agreement	2003 CMoU
	3 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
	Each Russian and Finnish designated airline has 24,5 frequencies per week on the Trans-Siberian Route Systems	2009 CMoU
i) Helsinki – Moscow - Beijing	May be operated only in accordance with separate agreement between the aeronautical authorities of the Contracting Parties.	ASA 1993
	3 weekly frequencies for Finnair and Aeroflot, intermediate landings at Moscow may, at the option of the airline concerned, be omitted, subject to commercial agreement	2003 CMoU
	3,5 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
	Each Russian and Finnish designated airline has 24,5 frequencies per week on the Trans-Siberian Route Systems	2009 CMoU
Helsinki - Sochi	1993 CMoU: from 1995 provided that Adler Airport by that time has been classified as an international airport, confirmed in 1995 AM	(1993 CMoU), 1995 AM
Helsinki – Arkhangelsk*	* after opening of the Arkhangelsk Airport for	1995 AM

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	Each Russian and Finnish designated airline has 24,5 frequencies per week on the Trans-Siberian Route Systems	2009 CMoU
Murmansk – Rovaniemi - Lulea	with 5th freedom traffic rights on the sector Rovaniemi - Lulea	1995 AM
St. Petersburg – Lappeenranta		1995 AM
Arkhangelsk* and/or Murmansk and/or Petrozavodsk and/or Pskow – Rovaniemi and/or Oulu and/or Joensuu and/or Lappeenranta and/or Kuopio, in any combinations	*after opening of the Arkhangelsk Airport for international air services in accordance with Russian laws and regulations	1995 AM
Helsinki – Moscow - Osaka	2 weekly frequencies on the Trans-Siberian route	1995 CMoU
	2 weekly frequencies for Finnair and Aeroflot, intermediate landings at Moscow may, at the option of the airline concerned, be omitted, subject to commercial agreement	2003 CMoU
	1 additional weekly frequency	2004 correspondence
	3,5 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
	Each Russian and Finnish designated airline has 24,5 frequencies per week on the Trans-Siberian Route Systems	2009 CMoU
Helsinki – Moscow – Shanghai	1,5 weekly frequencies for Finnair and Aeroflot, intermediate landings at Moscow may, at the option of the airline concerned, be omitted, subject to commercial agreement	2003 CMoU
	3,5 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
	Each Russian and Finnish designated airline has 24,5 frequencies per week on the Trans-Siberian Route Systems	2009 CMoU
Helsinki – Guangzhou	2,5 frequencies per week/	2008 CMoU

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	international air services in accordance with Russian laws and regulations	
Lappeenranta – St. Petersburg		1995 AM
Rovaniemi and/or Oulu and/or Joensuu and/or Lappeenranta and/or Kuopio – Arkhangelsk* and/or Murmansk and/or Petrozavodsk and/or Pskow, in any combinations	* after opening of the Arkhangelsk Airport for international air services in accordance with Russian laws and regulations	1995 AM
Helsinki – Moscow - Osaka	2 weekly frequencies on the Trans-Siberian route	1995 CMoU
	2 weekly frequencies for Finnair and Aeroflot, intermediate landings at Moscow may, at the option of the airline concerned, be omitted, subject to commercial agreement	2003 CMoU
	1 additional weekly frequency	2004 correspondence
	3,5 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
	Each Russian and Finnish designated airline has 24,5 frequencies per week on the Trans-Siberian Route Systems	2009 CMoU
Helsinki - Guangzhou	2,5 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
Helsinki - Hongkong	3,5 frequencies per week/ each designated airline on the Trans-Siberian Route System	2008 CMoU
Helsinki – Moscow - Seoul	2,5 frequencies per week for each Russian and Finnish designated airline	2008 CMoU
Helsinki – Moscow- Nagoya	2,5 frequencies per week for each Russian and Finnish designated airline	2008 CMoU
Helsinki - Ekaterinburg	4 weekly frequencies	2008 AM
St. Petersburg – Turku – St. Petersburg	2 weekly frequencies vv.	2010 AM(and 2010 CMoU)

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