

Record of discussions

Delegations representing Aeronautical Authorities of the Russian Federation and the Republic of Poland met in Moscow September 14, 2010 to discuss the issues of further development of air services between and beyond the territories of their states.

The delegation lists are attached as Annex I.

The following issues were discussed.

Opening Remarks

The Polish delegation in its opening statement referred to the outcome and positive atmosphere of the Russian – Polish Economic Committee held in Moscow in May 2010 and the declaration signed by the Ministers of both countries where the need to intensify mutual relations between Poland and Russia has been strongly emphasized. In this context the Polish delegation indicated growing passenger demand for new routes, both between our countries and to the destinations in the Far East and emphasized the impact of civil aviation on the economic growth of our countries.

The Russian delegation expressed its satisfaction with the existing cooperation in the field of air transport between our countries.

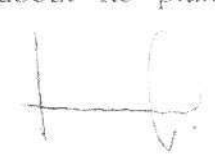
General issues concerning the development of the air transport market

The Polish delegation expressed its conviction that in order to ensure continued, undisturbed development of air transport between our countries, it is necessary to reconsider the foundation and structure of our cooperation in a way that will allow ^{1.11.10} our carriers free selection of destinations, capacity offers and form of cooperation between the airlines without undue restrictions or burdens. Relaxation of the tariff system could also be seen as one of the steps aimed at improving the current model of cooperation. The Russian delegation stated that it rather prefers the traditional model of applying charges to foreign carriers stressing that control over the vast territory of the Russian Federation brings tangible benefits. Nevertheless both Parties agreed that in order to prepare basis for future development of air transport in their countries they would explore further potential opportunities.

Bilateral Issues (3rd & 4th Freedom of the Air)

1. Plans for expansion of operations of Polish designated airlines to Russia.

The Polish delegation informed the Russian delegation about its plans on operations increase with the perspective until 2015.



1.1 Local services

- 2012 to Ekaterinburg – 4 frequencies;
to Rostov – 4 frequencies;
- 2013 to Samara – 4 frequencies;
to Sochi – 4 frequencies;
- 2014 to Krasnodar – 4 frequencies;
to Nizhniy Novgorod – 4 frequencies;
- 2015 to Irkutsk – 4 frequencies;
to Novosibirsk – 4 frequencies.

The Polish side suggested that one of the steps aimed at improving future cooperation should be an agreement on a pool of destination points, both inside and outside the territory of both countries. This should allow for a more unrestrained development of connections network without the need of submitting applications and carrying out time consuming negotiations between the aeronautical authorities on each new destination point.

The Russian delegation proposed that the planned new routes to destinations within the territory of the Russian Federation could be performed by LOT Polish Airlines in a code share system with the local Russian carriers. The Polish delegation acknowledged that this is good and a very pragmatic solution particularly at the very first stage of establishing new routes and is definitely worth closer examination. The representatives of LOT Polish Airlines also confirmed that they will check the possibility of entering into a code share agreement with a carrier who is not a member of the Star Alliance.

Over flight issues

Plans for expansion of operations of Polish designated airlines to points outside of the Russian Federation

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- 2011 to Hanoi – 4 frequencies.
- 2012 to Bangkok – 5 frequencies;
to Beijing – 4 frequencies;
to Tokyo – 4 frequencies;
to Osaka – 4 frequencies.
- 2013 to Shanghai – 4 frequencies.
- 2014 to Seoul – 4 frequencies;
To Shenzhen – 4 frequencies.

On the aspect of commencing new routes to the points on the Far East over the territory of the Russian Federation, the Polish delegation stated that Russian carriers should not fear growing competition from its Polish counterparts. This segment of the market has been growing constantly and has enough potential to

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benefit both sides without the risk of unhealthy competition between our designated carriers. As far as the Air Transport Agreement between our countries is concerned, the Polish delegation expressed its opinion that the Annex to the agreement in the current form is rather related to what is typical, standard annex on Traffic Rights as defined by ICAO. Both delegations agreed to continue talks on this issue during the next rounds of consultation.

Also, the Russian delegation expressed its readiness to approve 3 weekly overflying frequencies for the remaining part of 2010 of LOT Polish Airlines to Hanoi which will pass, as requested, through the following points in the airspace of the Russian Federation: OLGIN-BISNA with an increase to 4 flights per week in 2011.

Other Issues

The Russian side also expressed its interest in cooperation proposed by the Polish delegation on the measures to counter the effects of natural disasters, such as the recent volcanic eruption in Iceland. Parties emphasized the need of further talks on developing cooperation and introducing procedures in the event of disruption of air transport caused by natural phenomena.

The Polish side also proposed the establishment of broader cooperation between providers of navigation services in both countries, particularly in the area bordering the Kaliningrad Region. The Parties agreed that the results of this cooperation should include the increase of airspace capacity, reduction in user charges, improve standards of safety and security and environmental aspects. The Russian side has not raised objections to the above cooperation and has proposed a separate meeting of representatives of providers of navigation services, which may be organized under the CANSO (Civil Air Navigation Services Organization).

Both delegations agreed to continue discussions on this issues on the next rounds of consultations scheduled for the first half of 2011.

The consultations were concluded in a cordial atmosphere of mutual understanding.

Done in Moscow, September 14, 2010.

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



**For the delegation
of Aeronautical Authorities
of the Republic of Poland**

