MEMORANDUM OF UNDERSTANDING

Delegations representing the Aeronautical Authorities of the Russian Federation and the Dominican Republic (hereinafter referred to as Parties) met in Moscow on 24-25 January 2006 for the purpose of discussing a draft text of the Bilateral Air Services Agreement (ASA) between the two respective countries and their civil aviation relations. The lists of the members of the delegations appear as Attachments A and B.

The negotiations were conducted in a friendly and cordial atmosphere and covered the following aspects:

1. Air Services Agreement Text:

The draft text of Air Services Agreement was discussed and agreed "ad referendum" appears in Attachment C. Both sides will endeavor to have the Air Services Agreement signed as soon as possible.

In connection with new customs laws of the Russian Federation and after the relevant coordination with the Russian Customs Authorities, the final edition of Article 10 "Customs Duties" of the draft of ASA will be forwarded to the Dominican Side.

The Dominican delegation has proposed its version. Article 10 (Russian and Dominican versions) see in Attachments D and E.

2. The Operational Framework:

Before ASA coming into force both Parties have agreed to conduct air services in conformity to the following framework:

2.1 Designation of Airlines.

- (a) The Aeronautical Authorities of both Sates will name its designated Airlines later in compliance with Article 3 of the draft of ASA.
- (b) The proper economic licensing for operation will be issued by the Aeronautical Authorities, once the designated airline of each Contracting Party fulfills the operational and safety requirements in conformity to the provisions of the draft of ASA.
- (c) The Russian Delegation has informed that "Transaero Airlines" plan to launch regular services to the Dominican Republic. The Dominican Delegation has welcomed such initiative and agreed to provide an administrative temporary permission for such operations of "Transaero Airlines" and future possible demands of other Russian airlines.

2.4 Ground Handling

The Dominican Delegation has informed the Russian Side that the Contractual obligations of the Dominican Republic presently do not permit self-handling (i.e. ramphandling) by airlines.

2.5 Charter Services

Charter, additional and non-scheduled flights shall be carried out based on preliminary request of the designated as well as non-designated airlines of one Contracting Party, submitted to the aeronautical authorities in accordance with laws and regulations of the other States.

The charter services should not jeopardize scheduled services on the agreed routes and in this respect, the operation of the said charter services should be coordinated with the airlines designated to operate scheduled services on that route. The charter services should be operated in accordance with the national legislation of both States.

2.6 Route Schedule:

a) The designated airlines of the Russian Federation shall be entitled to operate international scheduled air services in both direction on the routes specified hereunder:

Points of	Intermediate	Points of	Points
Origin	Points	destination	Beyond
	(*)		
Points in the	Points in the	Santo Domingo	Points in the
Russian	third countries*	and Punta Cana	third countries*
Federation		and other points	
ř.		to be specified	
		later*	
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b) The designated airlines of the Republic Dominican shall be entitled to operate international scheduled air services in both direction on the routes specified hereunder:

Points of Origin	Intermediate Points	Points of destination	Points Beyond
Points in the Republic Dominican	Points in the third countries*	Moscow and Saint- Petersburg and other points to be specified later*	Points in the third countries*

* shall be subject to an agreement between the Aeronautical Authorities of both countries

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2.2 Traffic Rights Provisions.

In operating the air services on their respective routes as per paragraph 2.5 of the present Memorandum of Understanding, the designated airline(s) of the two Contracting Parties shall enjoy full rights in 3rd and 4th freedom traffic rights. With regard to 5th freedom traffic rights, an agreement has to be reached between the Aeronautical Authorities of both States.

(a) Extra Flight Entitlement

The need for extra flight is determined on an ad-hoc basis between the respective airlines of both Sates that were granted an administrative permission and flight details are filed to the Aeronautical Authorities of both States for appropriate authorization.

(b) Co-terminalization Right

The exercise of co-terminalization right between two points in the territory of both countries by the respective airlines of each Contracting Party that were granted an administrative permission shall be subject to the approval of the Aeronautical Authorities of both States.

2.3 Marketing Alliances and Code-Sharing Arrangement

For better utilization of market access and serving the market demand between the two States, both Parties agreed to encourage the the respective airlines of each Contracting Party that were granted an administrative permission to enter into marketing alliances arrangements as of code-sharing arrangements in passengers avenues. Code-sharing operation by such airlines is conducted in conformity to the following provisions:

In operating or holding out the authorized services on the agreed routes, any such airline of one Contracting Party may enter into bilateral code-sharing arrangements with:

an airline or airlines of one Contracting Party and

• an airline or airlines of the other Contracting Party, and

• an airline or airlines of a third country, provided that such third country authorizes or allows comparable arrangements between the airlines of the other Contracting Party and other airlines on services to, from and via such third country.

provided that all airlines in such arrangements

- hold the appropriate authority to operate on the routes and segments concerned, and
- in respect of any ticket sold by it, make it clear to the purchaser at the point of sale which airline will actually operate each sector of the service and with which airline or airlines the purchaser is entering into a contractual relationship.

All arrangements concerning marketing alliances and the code-sharing are subject for approval by the Aeronautical Authorities of both States.

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- (c) Intermediate points and points beyond on any of the specified routes may, at the option of the designated airlines, be omitted on any or all flights, provided that any service either begins or terminates in the territory of the State designating the airline.
- (d) The right of the designated airlines of one Contracting Party to transport passengers, cargo and mail between the points in the territory of the State of other Contracting Party and points in the territory of the third countries (exercise of fifth freedom traffic right) shall be subject to the agreement between the Aeronautical Authorities of the Contracting Parties.

3. Entry into Force

The provisions of this Memorandum of Understanding will enter into force with immediate effect from the date of signature.

Done in Moscow on 25th January 2006 in two original copies both in English language.

For the Delegations of the Aeronautical Authorities of the Russian Federation

For the Delegations of the Aeronautical Authorities of the Dominican Republic

Russian Delegation (Moscow, January 24-25, 2006)

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Department of State Policy in Civil Aviation, Geodesy

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Republic Dominican Delegation (Moscow, January 24-25, 2006)

1. Carlos A. Veras

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Dominican Republic

2. Jose Valdez

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3. Amin Canaan Gomez

Representative Ministry of Tourism,

Member of the Civil Aviation Board

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4. Miguel Fersobe

Ambassador/Director of the Department

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