

AIR TRANSPORT AGREEMENT

BETWEEN

THE GOVERNMENT OF THE STATE OF ISRAEL

AND

THE GOVERNMENT OF THE RUSSIAN FEDERATION

The Government of the State of Israel and the Government of the Russian Federation hereinafter referred to as the "Contracting Parties";

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944;

Desiring to conclude an Agreement for the purpose of establishing air services between and beyond their respective territories;

HAVE AGREED AS FOLLOWS:

ARTICLE 1

DEFINITIONS

1. For the purposes of this Agreement the following terms mean:
 - a) "aeronautical authorities" means, in the case of the Russian Federation, the Ministry of Transport represented by the Department of Air Transport or any person or body authorised to perform any function presently exercised by the said Ministry and in the case of the State of Israel, the Minister of Transport or any person or body authorized to perform any function presently exercised by the Minister;
 - b) "designated airline" means an airline which has been designated and authorized in accordance with Article 4 of the present Agreement;
 - c) "territory" in relation to a State means land areas, territorial and internal waters and air space above them under the sovereignty of that State;

- d) "Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944 and includes any Annex and any amendment thereto adopted under Article 90 of the Convention to the extent that such Annex and amendment thereto are applicable to the Contracting Parties and any amendment of the Convention adopted under Article 94 of the Convention ratified by the Russian Federation and by the State of Israel respectively;
- e) "air services", "international air services", "airline" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention;
- f) "tariff" means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail;
- g) "capacity" in relation to "agreed services" means the capacity of the aircraft used on such services, multiplied by the frequency operated by such aircraft over a given period of time and route or section of a route.
2. The Annex to the present Agreement shall be considered as its integral part.

ARTICLE 2

GRANT OF RIGHTS

Each Contracting Party grants to the other Contracting Party the

rights specified in the present Agreement for the purpose of establishing scheduled international air services on the routes specified in the Annex to the present Agreement (hereinafter called "the agreed services" and "the specified routes" respectively).

ARTICLE 3

THE RIGHTS

1. The airline designated by each Contracting Party shall enjoy while operating an agreed service on a specified route the following rights:
 - a) to fly across the territory of the other Contracting Party without landing;
 - b) to make stops in the territory of the other Contracting Party for non-traffic purposes in accordance with the conditions of the Annex.
 - c) to make stops in the territory of the other Contracting Party at the points specified for that route in the Annex to the present Agreement for the purpose of taking on and/or putting down international traffic in passengers, cargo and mail.
2. Nothing in this Article shall be deemed to confer on the designated airline of one Contracting Party the right of taking on board passengers, cargo and mail carried for hire or reward, between the points in the territory of the other Contracting Party.
3. The flight routes of aircraft on the agreed services and the points for crossing national boundaries shall be established

by each of the Contracting Parties within its territory.

4. All technical and commercial matters concerning the operation of aircraft and transportation of passengers, cargo and mail on the agreed services as well as all matters concerning commercial cooperation, particularly schedules of the agreed services, frequency of flights, types of aircrafts, technical and ground handling services and procedures of financial accounts shall be established by agreement between the designated airline of both Contracting Parties and (if necessary) shall be submitted to them for the approval of the aeronautical authorities of the Contracting Parties. To implement this procedure, a commercial agreements shall be required between the designated airlines of the Contracting Parties, assigned to operate the route.

ARTICLE 4

DESIGNATION OF AIRLINES

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services on the specified routes.
2. On receipt of such notification the other Contracting Party shall without delay, subject to the provisions of paragraphs 3 and 4 of this Article, grant to the designated airlines the appropriate operating authorization.
3. Prior to granting the operating authorization the aeronautical authorities of one Contracting Party may require an airline designated by the other Contracting Party to satisfy them that

it is qualified to fulfill the conditions prescribed under the laws and regulations normally and reasonably applied by such authorities to the operation of international air services.

4. Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph 2 of this 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, in any case where the said Contracting Party is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.
5. When an airline has been so designated and authorized, it may begin to operate the agreed services for which it is designated provided, that schedule of this services and a tariff established in accordance with the provisions of Article 10 of this Agreement is in force in respect of that service.

ARTICLE 5

REVOCATION OR SUSPENSION OF RIGHTS

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 this 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 substantial ownership or effective control of that airline are vested in

the Contracting Party designating the airline or in its nationals; 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.

2. Unless immediate revocation, suspension or imposing of the conditions mentioned in paragraph 1 of this Article is essential to prevent further infringements of the laws or the regulations, such rights shall be exercised only after consultations with the aeronautical authorities of the other Contracting Party. Such consultations shall begin within a period of fifteen (15) days from the date of the request.

ARTICLE 6

APPLICATION OF LAWS AND REGULATIONS

- 1. The laws and regulations of one Contracting Party relating to the arrival in or the departure from its territory of aircraft engaged in international air services or to operation and navigation of such aircraft while within its territory shall be applied to aircraft of the airline designated by the other Contracting Party.
- 2. The laws and regulations of one Contracting Party relating to arrival in, stay in or departure from its territory of passengers, crew, cargo or mail, such as regulations relating to passports, customs, currency and sanitary measures shall be

applied to passengers, crew, cargo or mail of aircraft of the airline designated by the other Contracting Party while within the said territory.

ARTICLE 7

FACILITATION

1. Each Contracting Party may impose or permit to be imposed just and reasonable charges for the use of airports and other aviation facilities, provided that these charges shall not be higher than those paid by other airlines engaged in similar international air services.
2. Each Contracting Party shall encourage consultations between its competent charging organizations and the designated airlines using the services and facilities and, where practicable, through the airlines representative organizations. Reasonable notice should be given to users of any proposals for changes in user charges to enable them to express their views before changes are made.
3. Neither or the Contracting Parties shall give preference to its own or any other airline over an airline engaged in similar international air services of the other Contracting Party in the application of its customs, immigration, quarantine and similar regulations or in the use of airports, airways, air traffic services and associated facilities under its control.
4. Based on the principles of the reciprocity, each Contracting Party shall facilitate to the maximum extent, the entrance of the crew members of the designated airline of the Contracting

Party, holding valid crew-member certificates, provided they are included in the General Declaration of the flight or by official declaration of the designated airline, when they enter the territory of that Contracting Party on flight duties or when they enter as passengers onboard other airlines in order to perform their flight duties. Furthermore, based on the same principles, each Contracting Party shall exempt the crew members of the designated airline of the other Contracting Party from visas duties when they enter the territory of that Contracting Party to perform flying duties, or as crew members of the additional and charter flights, or as navigators.

ARTICLE 8

DIRECT TRANSIT

Passengers, baggage and cargo in direct transit across the territory of one Contracting Party and not leaving the area of the airport reserved for such purpose shall only be subject to a simplified control. Baggage and cargo in direct transit shall be exempt from customs duties and other similar taxes.

ARTICLE 9

CAPACITY

1. The designated airlines of the Contracting Parties shall have fair and equal opportunity to operate the agreed services on the specified routes between their respective territories.
2. In operating the agreed services the designated airline of one Contracting Party shall take into account the interests of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provides on the

the whole or any part of its routes.

3. The agreed services provided by the designated airlines of the Contracting Parties shall be closely related to the requirements of the public for transportation on the specified routes, and each designated airline shall have its primary objective the provision, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail between their respective territories.
4. The air services provided by the designated airlines under the present Agreement shall be made in accordance with the general principles that capacity shall be related to:
 - a) the requirements of traffic between the countries of origin and destination;
 - b) the requirements or traffic of the area through which the agreed services pass; and
 - c) the requirements of through airline operations.
5. The capacity on the specified routes should in principle be equally shared between the designated airline of each Contracting Party, unless otherwise agreed upon between the aeronautical authorities of the Contracting Parties.

ARTICLE 10

TARIFFS

1. The tariffs on any agreed service shall be established at

reasonable levels due regard being paid to all relevant factors including cost of operating, reasonable profit and the tariffs of other airlines for any part of the specified route. These tariffs shall be fixed in accordance with the following provisions of this Article.

2. The tariffs referred to in paragraph 1 of this Article shall be agreed in respect of each of the specified routes between the designated airlines concerned in consultation with the other airlines operating the whole or part of that route. The tariffs so agreed shall be subject to the approval of the aeronautical authorities of the Contracting Parties.
3. The tariffs so agreed shall be submitted for the approval of the aeronautical authorities of both Contracting Parties at least (45) days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities.
4. If the designated airlines cannot agree on any of these tariffs or if for some other reason a tariff cannot be agreed upon in accordance with the provisions of paragraph 2 of this Article the aeronautical authorities of the Contracting Parties shall endeavour to determine the tariff by agreement between themselves.
5. If the aeronautical authorities cannot agree on the approval of any tariff submitted to them under paragraph 2 of this Article or on the determination of any tariff under paragraph 3, of this Article the dispute shall be settled in accordance with the provisions of Article 17 of the present Agreement.

6. No tariff shall come into force if the aeronautical authorities of either Contracting Party have not approved it.
7. The tariffs established in accordance with the provisions of this Article shall remain in force until new tariffs have been established in accordance with the provisions of this Article.

ARTICLE 11

EXEMPTIONS FROM DUTIES AND TAXES

1. Aircraft operated on the agreed services by the designated airline of one Contracting Party, as well as their regular equipment, supplies of fuel and lubricants, aircraft stores (including food, beverages and tobacco) on board the aircraft shall be exempt from all customs duties, fees and other similar charges on arriving in the territory of the other Contracting Party provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported.
2. There shall also be exempt from the same duties, fees and charges with the exception of charges corresponding to the services performed:
 - a) aircraft stores taken on board in the territory of one Contracting Party, within limits fixed by the authorities of the said Contracting Party, and for use on board the aircraft operated on the agreed services by the designated airline of the other Contracting Party;

- b) spare parts introduced into the territory of one Contracting Party for the maintenance or repair of aircraft engaged in operation on agreed services by the designated airline of the other Contracting Party;
 - c) fuels and lubricants intended for use in the operation of the agreed services by aircraft of the designated airline of one Contracting Party, even when these supplies are to be used on the part of the route performed within the territory of the other Contracting Party in which they are taken on board.
3. Materials referred to in paragraph 2 above may be required to be kept under Customs supervision or control.
 4. Regular airborne equipment, as well as the materials, supplies and spare parts retained on board the aircraft operated by a designated airline of one Contracting Party, may be unloaded in the territory of the other Contracting Party only with the approval of the Customs authorities of that Contracting Party. In such case they may be placed under the supervision of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with Customs regulations.
 5. The exemptions provided by paragraph 1 of this Article shall also be available where the airline of one Contracting Party have contracted with another airline, which similarly enjoy such exemptions from the other Contracting Party for loan or transfer in the territory of the other Contracting Party of the items specified in paragraph 1 of this Article.

ARTICLE 12

TRANSFER OF EXCESS RECEIPTS

1. Based on the principles of reciprocity each Contracting Party shall grant to the designated airline of the other Contracting Party the rights to sell in its territory air transportation in accordance with national law of each Contracting Party and issue its own transportation documents directly or through its agents.
2. Each Contracting Party shall grant to the designated airline of the other Contracting Party the right to transfer freely the excess of receipts over expenditure earned by the said designated airline in connection with the operation of the agreed services.
3. Such transfer shall be made in accordance with the provisions of the agreement regulating financial matters between the Contracting Parties. In case of the absence of such an agreement, respective provisions in accordance with the transfer shall be effected in hard convertible currency at the official exchange rate in accordance with the foreign exchange regulations of the Contracting Parties.

ARTICLE 13

EXEMPTIONS

1. Subject to the principle of reciprocity the revenues received by the designated airline of one Contracting Party within the territory of the other Contracting party in connection with operation of the agreed services shall be exempt from all the taxes and fees that should or might be applicable in accordance with the regulations of that other Contracting

Party.

2. The necessary documents of the designated airline of one Contracting Party including air tickets, air way-bills as well as advertising materials shall be exempt from all the taxes and customs duties in the territory of the other Contracting Party.

ARTICLE 14

REPRESENTATION

1. The designated airline of one Contracting Party shall be allowed on the basis of reciprocity, to maintain in the territory of the other Contracting Party their representatives and commercial, operational and technical staff as required in connection with the operation of the agreed services. The above mentioned personnel shall consist of the nationals of both Contracting Parties.
2. These staff requirements may, at the option of the designated airline, be satisfied by its own personnel or by using the services of other organization, company or airline operating in the territory of the other Contracting Party, and authorized to perform such services in the territory of that Contracting Party.
3. The representatives and staff shall be subject to the laws and regulations in force of the other Contracting Party, and, consistent with such laws and regulations, each Contracting Party shall, on the basis of reciprocity and with minimum of delay, grant to the necessary work permits, employment visas or other similar documents to the representatives and staff,

referred to in paragraph 1 of this Article.

4. Each Contracting Party undertakes to ensure that the respective designated airline of the other Contracting Party is provided with a suitable office and facilities required for its operation, in order to facilitate the operation of the respective airlines of the Contracting Parties.

ARTICLE 15 AVIATION SECURITY

1. Consistent with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of the present Agreement. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971 and the Protocol for the Suppression on Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988, the provisions of bilateral agreements in force between the Contracting Parties as well as their agreements to be signed subsequently.
2. The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the

safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

3. The Contracting Parties shall act in conformity with the aviation security provisions and technical requirements established by the International Civil Aviation Organization and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions and requirements are applicable to the Contracting Parties; they shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territory act in conformity with such aviation security provisions.

4. Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions and requirements referred to in paragraph 3 above required by the other Contracting Party for entry into, departure from, or while within the territory of that other Contracting Party.

Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.

5. When an incident or threat of an incident of unlawful seizure

of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

ARTICLE 16

CONSULTATIONS

From time to time there shall be consultations between the aeronautical authorities of the Contracting Parties to ensure close collaboration in all matters affecting the fulfilment of the present Agreement.

Such consultations shall begin within a period of 60 days of the date of receipt of such a request, unless otherwise agreed by the Aeronautical Authorities of the Contracting Parties.

ARTICLE 17

SETTLEMENT OF DISPUTES

Any dispute relating to the interpretation or application of the present Agreement or the Annex thereto shall be settled by direct negotiations between the aeronautical authorities of both Contracting Parties. If the said aeronautical authorities fail to reach an agreement the dispute shall be settled through diplomatic channels.

ARTICLE 18

MODIFICATIONS

If either of the Contracting Parties considers it desirable to modify the terms of the present Agreement and the Annex

thereto it may request consultations between the aeronautical authorities of both Contracting Parties in relation to the proposed modification. Such consultations shall begin within a period of sixty (60) days from the date of the request unless the aeronautical authorities of the Contracting Parties agree upon the prolongation of that period. The modifications of the Agreement shall come into effect when confirmed by an exchange of notes through diplomatic channels. The modifications of the Annex may be made by an agreement between the aeronautical authorities of the Contracting Parties.

2. If both Contracting Parties become Parties to any multilateral convention on civil aviation connected with this Agreement, they will accordingly amend the present Agreement in accordance with the procedure in paragraph 1 of this Article, in order to bring it into conformity with the provisions of the said convention.

ARTICLE 19

REGISTRATION

The present Agreement and any subsequent amendments thereto shall be registered with the International Civil Aviation Organization.

ARTICLE 20

TERMINATION

1. The present Agreement has been signed for an indefinite period.
2. Each Contracting Party may at any time give notice to the other Contracting Party through diplomatic channels of its decision to terminate the present Agreement. In such case the

Agreement shall terminate twelve (12) months after the date of receipt of the notice by the other Contracting Party unless the notice to terminate is withdrawn by mutual agreement before the expiry of this period.

ARTICLE 21

ENTRY INTO FORCE

This Agreement shall enter into force at the date of the last written notification, through diplomatic channels confirming that the Contracting Parties have fulfilled all their internal procedures for the entry into force of this Agreement.

Done in MOSCOW, this 13 day of ~~September~~ 1993 which corresponds to the 27th day of elul of 5753 in two originals in each of the Russian, Hebrew and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text prevails.

FOR THE GOVERNMENT OF
THE STATE OF ISRAEL

FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION

J. Kassar



ANNEX

1. Routes which shall be operated by the designated airline of the Russian Federation in both directions:

Points in the Russian Federation:
Moscow, Sankt-Petersburg

Intermediate points:
Any points

Points in Israel:
Tel-Aviv, Eilat

Points beyond*

2. Routes which shall be operated by the designated airline of the State of Israel in both directions:

Points in Israel:
Tel-Aviv, Eilat

Intermediate points:
Any points

Points in the Russian Federation:
Moscow, Sankt-Petersburg

Points beyond*

* see para e)

Notes:

a) The Russian Authorities can temporarily designate a second Russian airline as schedule carrier to operate from/to one of the points in the Russian Federation specified above, if the first Russian designated airline is unable to operate the flights from/to this point in Russia;

b) No more than one airline of each Contracting Party shall be designated for any of the specified routes;

c) Each designated airline, while operating the whole or part of the agreed services, may omit any or all "intermediate points" or "Points beyond", provided each flight commences or terminates in the territory of the Contracting Party which has designated the airline;

d) The right of the designated airline of one Contracting Party to transport passengers, cargo and mail between points in the territory of the other Contracting Party and points in the territory of third parties shall be subject to prior coordination between the designated airlines of both Contracting Parties and subject to the approval of both aeronautical authorities;

e) Operation to "Points beyond" shall be subject to a special agreement between the aeronautical authorities of both Contracting Parties.