

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

Application of	)	
	)	
GAZPROMAVIA AVIATION COMPANY LTD.	)	Docket OST 05-_____
	)	
for an exemption pursuant to	)	
49 U.S.C. § 40109(c) to engage in	)	
all-cargo charter service	)	
between the Russian Federation	)	
and the United States	)	

**APPLICATION OF GAZPROMAVIA AVIATION COMPANY LTD.  
FOR AN EXEMPTION**

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For GAZPROMAVIA

**Dated:      November 2, 2005**

NOTICE: Any person who wishes to support or oppose this application must file an answer by November 17, 2005, and serve that answer on GAZPROMAVIA Aviation Company Ltd. and on all persons served with this application.

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Pursuant to 49 U.S.C. § 40109(c) (representing the recodified version of Section 416 1/ of the Federal Aviation Act of 1958 ("Act"), as amended), Part 211 of the Department of Transportation's ("Department") Economic Regulations, and the Department's Rules of Practice, GAZPROMAVIA Aviation Company Ltd. (hereinafter "GAZPROMAVIA") hereby applies for an exemption from 49 U.S.C. § 41302 and such other statutes and the Department's Regulations as may be required, to engage in charter all-cargo service between the Russian Federation and the United States. GAZPROMAVIA intends to start its charter service in December of 2005 primarily utilizing its AN-74 and IL-76 equipment.

GAZPROMAVIA requests that its exemption be granted for a period of one year or until 90 days after the transmission of a final order to the President on

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1/ Public Law 103-272, enacted July 5, 1994, revised and recodified the Act within Subtitle VII of Title 49, United States Code (Transportation). The provisions of section 416 of the Act are now contained in 49 U.S.C. § 40109(c). Under the recodification, the terms of section 416 were not substantively changed.

GAZPROMAVIA's contemporaneously filed application for a foreign air carrier permit, whichever comes first.

In support of this exemption application, GAZPROMAVIA submits as follows:

1. GAZPROMAVIA has today filed an application under 49 U.S.C. § 41302, for a foreign air carrier permit that would authorize the services requested by this application. GAZPROMAVIA is filing this exemption application in order to obtain exemption authority as soon as possible.

2. GAZPROMAVIA's application for a foreign air carrier permit contains the evidentiary material required by 14 C.F.R. § 211.20. See Exhibits GZ-1 through GZ-18 attached thereto. GAZPROMAVIA requests that this evidentiary material be incorporated in this exemption application by reference, insofar as this is required to process the instant application.

3. GAZPROMAVIA is a Limited Liability Company founded and registered as a legal entity in March of 1995 under the applicable laws of The Russian Federation. GAZPROMAVIA is a wholly owned subsidiary of GAZPROM OAO, an open-type Joint Stock Company and one of the world's major producers of natural gas. GAZPROMAVIA is owned and effectively controlled by Russian nationals. See Exhibits GZ-3 & GZ-4. GAZPROMAVIA holds an Operator's Certificate from the Ministry of Transport of the Russian Federation authorizing GAZPROMAVIA to operate domestic and international commercial air services, such certificate being regularly renewed upon application by GAZPROMAVIA to the appropriate Russian governmental authorities. See Exhibit GZ-8.

4. In its foreign air carrier permit application GAZPROMAVIA is requesting a foreign air carrier permit authorizing it to engage in all-cargo charter air transportation operations (1) between point or points in Russia and point or points in the

United States; and (2) between point or points in the United States and point or points in a third country or countries subject to pertinent national, bilateral and international agreements, rules and regulations.

GAZPROMAVIA will primarily utilize Antonov AN-74 and Ilyushin IL-76 aircraft, or such other aircraft that it may have or acquire, to conduct the proposed operations. See Exhibit GZ-10.

5. GAZPROMAVIA is fit, willing, and able to operate the services proposed by this application. GAZPROMAVIA holds an Operator's Certificate from the Ministry of Transport of the Russian Federation authorizing GAZPROMAVIA to operate domestic and international commercial air services, such certificate being regularly renewed upon application by GAZPROMAVIA to the appropriate Russian governmental authorities. See Exhibit GZ-8.

6. GAZPROMAVIA's insurance coverage satisfies the requirements set forth in 14 C.F.R. Part 205. See Exhibit GZ-7.

7. The aircraft GAZPROMAVIA intends to operate to the United States are registered in Russia and are maintained by qualified engineering personnel holding the appropriate certificates for technical maintenance. Line and heavy maintenance for GAZPROMAVIA's AN-74 aircraft is performed by GAZPROMAVIA's own licensed maintenance organization located at its base at Ostafyevo Airport, as well as Samara Aviacore-Service in Samara. Line and heavy maintenance for GAZPROMAVIA's IL-76 aircraft is performed by GAZPROMAVIA's own licensed maintenance organization located at its base at Vnukovo Airport, as well as at "JSC "Domodedovo Maintenance Base" at Domodedovo Airport. See Exhibit GZ-11.

GAZPROMAVIA is also in the process of establishing a business aircraft maintenance center located at Ostafyevo Airport in cooperation with the Dassault Falcon Service Company. This maintenance center will be licensed by the European Air Safety Association

(EASA) and will be aimed at supporting GAZPROMAVIA's fleet of two Falcon-900's, as well as other private jets operated in Russia.

Russia is a contracting state to the Convention on International Civil Aviation ("Chicago Convention"). GAZPROMAVIA's aircraft are maintained in compliance with ICAO Annexes 1, 6 (Part 1), and 7. GAZPROMAVIA's AN-74 and IL-76 aircraft conform to the type design approved by the Interstate Aviation Committee and have been issued civil airworthiness certificates in accordance with the provisions of ICAO Annex 8.

8. GAZPROMAVIA has been designated by the Government of Russia to perform foreign air transportation services between the U.S. and Russia as is required by 49 U.S.C. § 41302(2)(A). On January 14, 1994, the Government of Russia and the Government of the United States concluded an Air Transport Agreement between the Government of the United States and the Government of the Russia ("U.S.-Russia Air Transport Agreement"). On April 3, 1999, the Government of the Russian Federation and the Government of the United States concluded a Protocol on annexes to the U.S.-Russia Air Transport Agreement. On October 4-5, 2005, delegations representing the United States of America and the Russian Federation, agreed, ad referendum, on new Annexes to the 1994 U.S.-Russia Air Transport Agreement. The current Annexes permit the designation of up to nine scheduled combination or cargo carriers from the Russian Federation with no more than three combination and two cargo carriers operating between any city pair on the specified routes for scheduled services, with numeric limits placed on charter services. U.S.-Russia Air Transport Agreement, Annex I, Section 1(A)-(B); Annex II, Section 1-2.

In accordance with the terms of the U.S.-Russia Air Transport Agreement and Annexes thereto, GAZPROMAVIA has been designated as a charter combination and all-cargo carrier to provide services between Russia and the United States. See Exhibit GZ-16. However, GAZPROMAVIA is only requesting all-cargo charter authority at this time.

9. GAZPROMAVIA is qualified to operate to the United States. As the contemporaneously filed permit application and exhibits demonstrate, GAZPROMAVIA has assembled an experienced team of individuals to manage and develop the unique market opportunities associated with the U.S.-Russia aviation market. Moreover, GAZPROMAVIA has the financial and technical resources to maintain its domestic and international service on both a scheduled and charter basis. GAZPROMAVIA has accumulated substantial scheduled and charter services operating experience over its ten years of operations. See Exhibit GZ-9.

10. A grant of GAZPROMAVIA's instant application is in the public interest as GAZPROMAVIA will represent a recognized institutional presence in the U.S.-Russia aviation market. GAZPROMAVIA represents the continued evolution of Russian aviation and will be a highly qualified and well capitalized entrant into the U.S.-Russia bilateral aviation market. The Department should act expeditiously in granting the authority requested herein by GAZPROMAVIA.

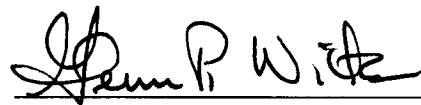
A grant of the requested authority is also consistent with the bilateral undertakings between the United States and Russia, and the Department's long-stated policy that designation of an air carrier by a foreign government under an air transport agreement is prima facie evidence that the grant of permit authority to such foreign air carrier is in the public interest. E.g. Application of Aerovias Venezolanas S.A. ("Avensa"), Order 86-8-88; Application of Singapore Airlines Limited, Order 85-10-16; Application of Singapore Airlines, Order 83-3-132; Application of Fast Air Carrier Ltd., Order 82-2-66; Application of China Airlines, Order 80-12-117.

11. A grant of GAZPROMAVIA's application would not constitute a "major regulatory action" under 14 C.F.R. Part 313. Specifically, GAZPROMAVIA's annual fuel consumption will not exceed 10 million gallons. Thus, a grant of the permit application will not constitute a "major regulatory action"

within the meaning of Section 102(2)(c) of the National Environmental Policy Act as implemented by 14 C.F.R. § 313.4. As a result, GAZPROMAVIA is not required to submit additional information about the energy consumption and energy efficiency consequences of its service proposal.

WHEREFORE, GAZPROMAVIA respectfully requests that the Department grant this exemption request or such other or further relief as the Department determines to be appropriate and consistent with the public interest.

Respectfully submitted,



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Counsel for GAZPROMAVIA

## **CERTIFICATE OF SERVICE**

I hereby certify that I have on this day served a copy of the foregoing document upon all persons named on the attached service list via electronic mail.



Ekaterina A. Grimes

Dated: November 2, 2005



## Service List

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