

3. Subject to the regulatory requirements normally applied by the aeronautical authorities of Canada to such joint airline operations, each designated airline of the Russian Federation shall have the right to operate the agreed service on transatlantic routings by selling transportation under its own code on flights of designated airlines of Canada or on flights of up to two airlines of its choice operating scheduled air services between up to two Intermediate Points of its choice and Points in Canada. For the purposes of code sharing arrangements, designated airlines of the Russian Federation shall only be permitted to operate code sharing services to, from and via licensed points. The code sharing partners of the designated airlines of the Russian Federation shall operate flights in accordance with licence authorities issued by Canada but no specific authorization of the code sharing partners shall be required by Canada for the purposes of permitting the designated airlines of the Russian Federation to code share on the code sharing partners' flights. For the purposes of code sharing arrangements the designated airlines of the Russian Federation shall be permitted to transfer traffic between aircraft.
4. For the code sharing services by each of the designated airlines of the Russian Federation, to each of Montreal and Toronto, each designated airline of the Russian Federation shall be entitled to operate up to daily service from each of the Points in the Russian Federation and no greater frequency of flights than that operated by the code sharing partners of the designated airlines of the Russian Federation. With respect to Note 3 of Section 2 of the Route Schedule in Annex I to the Agreement, code sharing services shall only be available at Vancouver as of October 27, 2002.

C. GROUND HANDLING

Each designated airline of one Contracting Party shall have the right to perform its own ground handling services in the territory of the other Contracting Party or, at its option, to have its ground handling services provided in whole or in part by its code sharing partners, that partners' agent or any other agent authorized by the competent authorities of the other Contracting Party to provide such services.