

Russia, Europe Agree on Overflights

By [The Moscow Times](#)

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The European Union and the Russian government announced the settlement Thursday of a long-running dispute about how airlines are charged for flights over Siberia.

"From Jan. 1, 2014, any charges EU airlines have to pay for flying over Russian territory will be cost-related and transparent. They will not discriminate between airlines," the EU said in an e-mailed statement.

The agreement contained in letters exchanged by Economic Development Minister Elvira Nabiullina and two European Commission officials will enter into force on Jan. 1, 2012, after the expected approval of Russia's WTO accession on Dec. 16.

The EU estimates that charges for flying over Siberia currently cost European airliners \$320 million a year as part of a Cold War-era agreement meant to compensate state carrier Aeroflot for supposed lost business on the route.

The European statement did not mention the details of the agreement. Andrei Rozhkov, a transportation analyst at Metropol, said he believed the agreement was that existing European flights would cease to yield royalties in 2014, while new flights started in the intervening period would be exempt.

The European Commission has complained that the charges breach EU and international competition law, and even threatened legal action against EU member states that have agreed to pay them.

"For Aeroflot, it means that they will lose about \$400 million a year starting from 2014, and that could make the company unprofitable in terms of net income," Rozhkov said.

An efficiency drive at the Russian flag carrier means that it could well maintain profitability in operating costs, however, he said.

A spokeswoman for the Economic Development Ministry asked for questions submitted by e-mail. The e-mail had not been answered by late Friday.

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