



**KRASNOYARSK
KRAI, RUSSIA**

Letter of Intent to sign a memorandum of understanding between the Province of Manitoba, Canada and Krasnoyarsk Krai, Russia, for mutual cooperation on the development of polar air routes.

Whereas, Manitoba and Krasnoyarsk recognize the opportunities that polar air routes provide due to:

- An average annual increase of 15% per year in air cargo between Asia and North America between 1998 and 2000;
- Liberalization of Russian and China over-flying authorities;
- Improvement of air navigation technologies; and
- Development of long range aircraft.

Whereas, Manitoba and Krasnoyarsk have already participated in a Polar Air Routes study which reported on the nature and volume of freight flows; current and potential service providers; opportunities for development; and research regarding the institutional, regulatory and administrative environment.

Whereas, the Polar Air Routes study indicated:

- Long term mutual opportunities for partnerships between Manitoba and northern Russia;
- A cost saving of over 20% using the polar route via Krasnoyarsk to Dehli, India.

Whereas, Manitoba and Krasnoyarsk recognize that there is mutual economic potential to the Winnipeg International Airport and the Krasnoyarsk Airport and to Winnipeg and Krasnoyarsk as hubs for air cargo activity using polar air routes.

Therefore, in a spirit of promoting closer relations, Manitoba and Krasnoyarsk intend to work cooperatively to the fullest extent possible consistent with law, existing treaties, and privacy requirements of their respective provinces, region and nation.

Therefore, the primary objective guiding the activities for Manitoba and Krasnoyarsk pursuant to this Letter of Intent are to continue a cooperative partnership to undertake follow up activities to the Polar Air Routes study.

Whereas, to carry out this objective, the parties agree to work together to undertake further work including:

- Market analysis to identify potential segments that could respond to cargo strategies designed to promote polar traffic between North America, India and/or Asia via Krasnoyarsk and Winnipeg;
- Identification of specific carriers that would most likely be interested in such a polar routing; and
- Preparation of marketing strategies.

Therefore, it is the intention of the parties signing below to enter into a Memorandum of Understanding between Manitoba and Krasnoyarsk. This letter does not represent a commitment by either party to any terms, conditions and obligations, but does represent a willingness to work together toward mutually beneficial transportation and economic development endeavours as pertaining to the development of polar air routes. The mode of the cooperation will be set forth in the terms of a Memorandum of Understanding to be signed at a future date.

Executed in Moscow, Russia this 15th day of February 2002 in conjunction with the Team Canada Mission.

MANITOBA

KRASNOYARSK

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