The way fonts are handled is poor and it must be improved. For example, here \texttt{english} text does not always work correctly.

A single script like Cyrillic can have several font encodings depending on the language: T2A, T2B, T2C, etc.

We can say

\scriptproperties{Cy}{rmfamily=omlgc}
\languageproperties{ukrainian}{rmfamily=cmr}

Then omlgc is used in all Cyrillic languages except in Ukrainian, where cmr is used instead.

This document can be typeset with both UCY (Cyrillic Unicode-like encoding) or standard T2A encoding.

Random letters in the ISO Cyrillic encoding:

АБВГДЕЖ ЗИЙКЛМН ОПРСТУФ абвгде жзийкл мноп рстуф

Now, we activate the transliteration from Latin (more or less ISO, with caron as h): Dobroe utro, dobryj den', spokojnoj nochi. Note the soft sign has the correct case.

Добро утро, добрый день, спокойной ночи

ДОБРОЕ УТРО, ДОБРЫЙ ДЕНЬ, СПОКОЙНОЙ НОЧИ (with \MakeUppercase).

ДОБРОЕ УТРО, ДОБРЫЙ ДЕНЬ, СПОКОЙНОЙ НОЧИ (Uppercased in the source).

Это
What if I was using a Mac encoding. The file does not say ыо, as above, but ыо (which you will see correctly on a Mac, of course): Эро