

RECORD OF DISCUSSIONS

Delegations representing Japan and the United States of America (collectively, the "Countries") met in Tokyo, on February 16 - 18, 2016, to discuss matters relating to further developments of the aviation relations between the Countries. The delegation lists are shown in Attachment A. The consultations were conducted in the most friendly and constructive atmosphere.

The delegations wish to record the following:

1. Haneda International Airport

- 1.1 The delegations intend to recommend to their governments the proposed amendment to the Schedule to the Civil Air Transport Agreement between the United States of America and Japan, signed at Tokyo on August 11, 1952, as amended (the "Agreement"), set forth below.

Section 3 of the Annex to the Memorandum of Understanding between the United States of America and Japan, effected by exchange of notes at Yokohama on November 13, 2010, should be deleted and replaced with the following:

"Section 3

Access to Tokyo International Airport (Haneda)

The following shall apply to international air transportation prescribed in the Annex that includes Tokyo International Airport (hereinafter referred to as "Haneda"):

1. The slots available for scheduled combination service by the designated airlines of each Party shall be limited to a total of five (5) pairs of slots during daytime hours between 0600 and 2255 hours (local time) and one (1) pair of slots during late night and early morning hours between 2200 and 0655 hours (local time); extra sections shall not be permitted;

2. Slots for scheduled combination service shall not be used for all-cargo service; and
 3. Airlines of each Party, in the aggregate, may operate no more than six hundred (600) one-way charter flights per year.”
- 1.2 The amendment would enter into force following an exchange of diplomatic notes between the governments, with the date of the entry into force of the amendment to be decided by the governments in this exchange of notes. The delegations intend to recommend to their governments that they make best efforts to complete their internal procedures and bring the proposed amendment into force in time for the Countries' carriers to be able to commence operations under the proposed amendment from the beginning of the IATA 2016 Winter season.

2. Other Matters

- 2.1 The Japanese delegation stated its view that four (4) pairs of slots out of the above five (5) pairs of slots to be made available during daytime hours are the result of transitioning the current four (4) pairs of slots during late night and early morning hours.
- 2.2 The U.S. delegation stated that the expansion of slots during daytime hours should permit increased traffic from destinations in the United States, especially from regions in the United States that currently do not have service to Haneda. The delegation further stated the continued U.S. desire for a meaningful increase in access to Haneda in the future that is representative of the strong ties between the Countries.
- 2.3 The U.S. delegation expressed its desire that every effort be made by the Japan Schedule Coordination (JSC) to assign commercially viable daytime slots at Haneda to the U.S. carriers that are allocated the slot pairs by the U.S. government.

- 2.4 The Japanese delegation explained the current status of functional expansion of Haneda aimed for 2020 (the "Haneda expansion plan"). The Japanese government is continuing discussions with the local governments and residents that would be affected by the Haneda expansion plan. At present, it is uncertain whether the Haneda expansion plan can be realized by 2020 and how many slots can be made available by then. Accordingly, the delegation stated that Japan is not engaged in negotiations with any country regarding the planned expansion of Haneda and does not intend to engage in such negotiations until late 2018.
- 2.5 The U.S. delegation welcomed efforts by the Japanese government to expand access to Haneda and acknowledged the present situation of the discussions with local communities, including the sensitivity pertaining to it.
- 2.6 The U.S. delegation reiterated its view that in the near future slots at Haneda should be subject to an exchange system, similar to that at Narita, that would allow for the most efficient allocation of the scarce resources available for services at the airport.
- 2.7 The Japanese delegation explained that Haneda's operational restrictions would continue even after its capacity expansion by 2020, as the demand would keep overwhelming the supply of slots in the foreseeable future. Further, the delegation explained its intention to further develop Narita airport and to support Narita in its role as the major international hub in Japan and also as a gateway connecting traffic between Asia and North America. The delegation noted that Narita is now equipped with a 4,000-meter runway and, as of 2016, is able to accommodate sixty-eight (68) movements per hour. The delegation also noted that discussions with local communities for further expanded capacity at the airport by building a third runway have just started. Accordingly, the delegation expects the further network expansion at Narita with such advanced infrastructure. The U.S. delegation noted that Narita remains an essential airport for U.S. carrier connectivity to other cities in Japan, and beyond to points in Asia.

2.8 The U.S. delegation noted the mutual economic benefits of seventh freedom traffic rights for all-cargo service and suggested that the delegations recommend to their governments the amendment of the Agreement to include these rights. The delegations shared the view that they would continue to facilitate the flexible exercise of fifth freedom traffic rights for all-cargo service.

Signed at Tokyo on February 18, 2016.

FOR THE DELEGATION OF
JAPAN

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FOR THE DELEGATION OF
THE UNITED STATES OF
AMERICA

Thomas S. Engle

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