



**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, DC**

Served: July 22, 1999

**NOTICE**

**Japan Charter Authorizations**

**(October 1, 1999 - December 31, 2000)**

Under the terms of a 1998 U.S.-Japan Memorandum of Understanding, U.S. carriers can operate 600 one-way charter flights (hereinafter we refer to "one-way charters" simply as "charters") between the United States and Japan during the calendar year 2000 (January 1 - December 31, 2000).<sup>1</sup> Previously, the charter year has begun October 1 and ended September 30. To facilitate a smoother transition to the new calendar year regime, the governments of the United States and Japan have agreed that the forthcoming charter year shall be extended to run from October 1, 1999, through December 31, 2000. To accommodate operations during this extended period the parties agreed that each side may also allocate to its airlines one-quarter of its allocation for the 1999 charter year (100 charters). Therefore, for the 15-month period October 1, 1999, through December 31, 2000, a total of 700 charters will be available for U.S. carrier services. From October 1 through December 31, 1999, up to a total of 75 flights may serve Tokyo or Osaka. Effective January 1, 2000, there is no restriction on the number of flights that can be operated to or from Osaka. Up to 300 charters may serve Tokyo in calendar year 2000.

By Orders 92-6-32 and 92-9-21, we established new procedures to simplify the distribution of the annual charters available to U.S. carriers for operation in the U.S.-Japan market. Specifically, we replaced our year-to-year comparative allocation proceedings with streamlined advance allotment/charter pool procedures. Under these procedures a portion of the available charters is allotted in advance to carriers that have operated an average of at least 20 charters over the previous two years. The balance is maintained in a charter pool for distribution on a first-come, first-served basis. We stated that advance allotments would be issued six months before the beginning of the charter year to qualifying carriers for the upcoming charter year.

Under our streamlined procedures, two carriers--Continental Micronesia and Federal Express--are entitled to advance allocations. Based on the attached summary of carrier operations in the U.S.-Japan market, consistent with the procedures established in Orders 92-6-32 and 92-9-21, for a regular 12-month charter year, Continental Micronesia would

<sup>1</sup> Previously U.S. carriers could operate 400 charters during each charter year.

receive an advance allocation of 166 charters and Federal Express 20. However, given the longer charter year at issue, we believe that each carrier should receive a larger advance allocation to facilitate its operations during the extended charter year. Specifically, as the charter year has been extended for an additional three months (one-quarter of a standard charter year) we have decided to increase each carrier's advance allotment proportionately. Thus, Continental Micronesia will receive an advance allotment of 208 charters and Federal Express 26 charters.<sup>2</sup> The remaining 466 flights are reserved in a charter pool for distribution on a first-come, first-served basis.

As discussed in Order 92-9-21, we require carriers issued advance allotments to notify the U.S. Air Carrier Licensing Division (X-44), Office of International Aviation, by letter no later than 14 days after the service date of this notice as to what portion of their advance allotment they intend to operate, together with an estimate of the number of charters to be used for Tokyo/Osaka service for the period October 1 - December 31, 1999, and for Tokyo service in calendar year 2000.

The advance allotments issued by this notice and flights operated from the charter pool for operations in the 1999/2000 charter year are subject to the conditions and procedures established in Appendix A.<sup>3</sup> Carriers operating flights from the charter pool should identify the date of the Notice of Consistency under which those flights were approved.

By:

A. BRADLEY MIMS  
Acting Assistant Secretary for  
Aviation and International Affairs

(SEAL)

Dated: July 22, 1999

Attachment

*An electronic version of this document is available at the World Wide Web at:  
[http://dms.dot.gov/reports/reports\\_aviation.asp](http://dms.dot.gov/reports/reports_aviation.asp)*

<sup>2</sup> Continental Micronesia's advance allotment based on a two-year average =  $166 + 42$  ( $\frac{1}{4}$  of 166 rounded to the nearest even number); Federal Express' advance allotment based on a two-year average =  $20 + 6$  ( $\frac{1}{4}$  of 20 rounded to the nearest even number).

<sup>3</sup> Appendix A modifies the procedural dates established in Order 92-9-21 to coincide with the 1999/2000 15-month charter year.

1. The advance allotments are subject to the following condition:

Where fewer than 40 percent of a carrier's allocated charters have been used or been committed for use by firm contracts during the eight-month period ending May 31, the remaining charter allotments exceeding the number equal to the number of those already operated or committed by contract in the preceding eight months would be forfeited and placed in the charter pool.

2. The charters not subject to advance allotment for the charter year are reserved in a charter pool for distribution on a first-come, first-served basis subject to the following conditions:

- (a) For the period October 1 through December 31, 1999, only carriers that have no advance allotments or no scheduled service authority to serve Japan, shall have access to the charter pool; distributions will be made on a first-come, first-served basis, and eligible applicants may operate up to ten charters per month;

- (b) Between January 1 and October 31, 2000, all carriers may apply for up to ten charters per month;

- (c) After October 31, 2000, no restrictions apply on the number of charters that may be applied for each month;

- (d) Applications to operate charters may be filed no earlier than 90 days in advance of the flight date; and

- (e) Applications must identify the type of charter (passenger or cargo); the date of each one-way flight; the charterer(s); the city-pair markets involved by direction; the type of aircraft to be used; and (for cargo charters) the type of cargo transported. After October 31, 2000, a copy of the charter contract would also be required.

3. Each carrier granted an advance allotment must notify the U.S. Air Carrier Licensing Division (X-44), Office of International Aviation, by letter, no later than June 9, 2000, of the number of charters it has operated through May 31, 2000, and the number of flights committed by firm contracts for the balance of the charter year. For charters under contract, carriers shall indicate the charterer(s), dates, city-pair markets, and nature of the traffic.

4. Each carrier granted either an advance allotment or pool charters must notify the U.S. Air Carrier Licensing Division (X-44), Office of International Aviation, no later than the tenth day of each month (or until its charters are exhausted, whichever occurs earlier) of: (1) the number of Japan charters operated during the preceding month; (2) the city pairs served by direction; (3) the date of each one-way flight; (4) the charterer(s); (5) the type of aircraft used; (6) the type of traffic and the type of cargo carried, if any; and (7) the number of charters for which Japanese authority was obtained for that month which subsequently were canceled or rescheduled. Carriers with advance allotment charters shall notify the Department whether or not any charters have been operated by the carrier during the month and such carriers shall return to the Department immediately any allotted flight(s) that it will not use; and

5. The Director of the Office of International Aviation is assigned the authority for this and subsequent charter years, to administer distribution of flights from the charter pool established by this order and, where deemed in the public interest, to waive the restrictions on the charter pool.