

TAB D

CHARTER SERVICES

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III. CHARTER SERVICES

The provisions in this Section (Charter Services) supersede the limitations on passenger and cargo charter operations between Japan and the United States contained in the prior agreements.

A. *EQUALIZATION OF CHARTER FREQUENCIES.*

Airlines of each Party, in the aggregate, may operate up to 400 one-way charter flights per year between any point or points in the United States and any point or points in Japan, subject to the limitation that no more than 300 charter flights may be operated to or from Tokyo or Osaka, in the aggregate, by the airlines of each Party. Charter operations shall be subject to country of origin rules, except as provided in Section C, below.

B. *EXPANSION OF CHARTER OPPORTUNITIES.*

1. Effective January 1, 2000, superseding Section A, above, airlines of each Party, in the aggregate, may operate up to 600 one-way charter flights per year between any point or points in the United States and any point or points in Japan, subject to the limitation that no more than 300 charter flights may be operated to or from Tokyo by the airlines of each Party. Charter operations shall be subject to country of origin rules, except as provided in subsection C, below.

2. Effective January 1, 2002, superseding subsection B(1), above, airlines of each Party, in the aggregate, may operate up to 800 one-way charter flights per year between any point or points in the United States and any point or points in Japan, subject to the limitation that no more than 300 charter flights may be operated to or from Tokyo by the airlines of each Party. Charter operations shall be subject to country of origin rules, except as provided in subsection C, below.

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C. *FREIGHT FORWARDER CHARTERS*

1. Airlines of the United States, in the aggregate, may operate each year up to 150 air freight forwarder charter units, originating in Japan and destined for the United States, subject to the limitations set forth in Section A, above. The following equivalencies will apply for purposes of counting units:

DC-8F or equivalent aircraft	1
DC-10 or L-1011	2
B747F	2.5

2. Effective January 1, 2000, superseding subparagraph 1, above, airlines of the United States, in the aggregate, may operate each year up to 225 air freight forwarder charter flights, without restriction as to aircraft type, originating in Japan and destined for the United States, subject to the limitations set forth in Section B (Expansion of Charter Opportunities), above.

D. *LEASING ARRANGEMENTS*

Subject to country of origin rules and the requirements normally applied to such arrangements, charter carriers shall be permitted to engage in leasing arrangements.

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