

**RECORD OF DISCUSSIONS
BETWEEN THE AERONAUTICAL AUTHORITIES
OF JAPAN AND THE RUSSIAN FEDERATION**

Recognizing the importance of further development and expansion of the air transport network to meet the increasing demand between Japan and the Russian Federation, and taking into account the friendly aviation relationship between the two countries, the aeronautical authorities of Japan and the Russian Federation (hereinafter referred to as "both sides") wish to record as follows.

The lists of the delegations are attached as Attachment A and B.

1. Routes

- (1) The ANNEX I of the Air Services Agreement between Japan and the Union of Soviet Socialist Republics (hereinafter referred to as "USSR") dated 21 January 1966 (hereinafter referred to as "the Agreement") will be amended as set out in Attachment C.

- (2) Subparagraph (1) above should come into effect after an exchange of diplomatic notes. Both delegations, however, shared the view that the designated airline or airlines of each country may operate its services on the routes set out in Attachment C on a provisional basis until the exchange of diplomatic notes.

- (4) The designated airline or airlines of each country may commence their services to new point(s) in Japan or Russia, or increase their frequencies at point(s) either in Japan or Russia, after the airline or airlines complete the coordination with C.I.Q. authorities as well as the concerned agencies at the respective airports, where so required.
- (5) It is confirmed that the exercise of fifth freedom traffic rights by the designated airline or airlines of each country between point(s) in the other country and point(s) beyond should be in accordance with the provisions of the previous bilateral arrangement except the provision in subparagraphs 1.(6) and (7) below.
- (6) The paragraph 1. (2) and (4) of the Agreed Minutes signed on 19 January 2000 should be replaced by the following:
- (a) Both delegations confirmed that the designated airline or airlines of the Russian Federation may operate all-cargo services with fifth freedom traffic rights to and from one (1) point in the United States of America as a point beyond Japan on Route 2. (1) of the ANNEX I within the capacity entitlements described in subparagraph 2. (2) below, provided that:
 - (i) the number of weekly frequencies of services to and from the beyond point is limited to three (3); and
 - (ii) the designated airline or airlines of the Russian Federation should have joint services or code sharing arrangements with the designated airline or airlines of Japan on the routes to and from one point in the United States of America with fifth freedom traffic rights described in subparagraph 1. (6) (a) above.
 - (b) Both delegations confirmed that the designated airline or airlines of the Russian Federation may operate passenger services with fifth freedom traffic rights to and from Sanya or Jinan in the People's Republic of China as a point beyond Japan on Route 2. (1) of the ANNEX I up to four (4) frequencies per week within the capacity entitlements described in subparagraph 2. (2) below.

(7) Both delegations reconfirmed that the number of the limit on frequencies for all-cargo services regarding beyond operations to Hong Kong and to Seoul described in paragraph I. 1. of the Agreed Minutes signed on 26 June 1997, as modified by the Agreed Minutes signed on 19 January 2000, modified by the letters of exchange between the two aeronautical authorities signed on 18 July 2005 by the Russian side and on 19 July 2005 by the Japanese side and also modified by the Record of Discussions signed on 29 January 2011 is six (6) to each point, and the number of the limit on frequencies for all-cargo services regarding beyond operations to Bangkok described in paragraph I. 1. of the Agreed Minutes signed on 26 June 1997, as modified by the Agreed Minutes signed on 19 January 2000 is three (3).

(2) Japan will permit passenger and/or all-cargo services using any type of subsonic aircraft up to one hundred seventy-four (174) frequencies per week in total on Route 2.(1) and Route 2.(2) of the ANNEX I, increased from eighty (80) frequencies per week in total described in ROD2011, of which up to seventy (70) frequencies per week in total on Route 2.(1) of the ANNEX I, increased from thirty-seven (37) frequencies per week in total described in ROD2011, for the designated airlines of the Russian Federation.

- (3) In case of one-way operations, the number of frequencies exercised by the designated airline or airlines of each country should be counted as a half of the frequency.
- (4) It is confirmed that the number of slots per week at Narita Airport for the designated airline or airlines of the Russian Federation will be not more than one hundred and forty four (144) all year round, increased from seventy four (74) slots per week in total described in ROD2011.
- (5) The Japanese delegation expressed that the Japanese side is taking the basic stance to maintain the balance on an equal basis for the number of frequencies, namely, if 1 frequency (2 slots) at Narita airport for Russian carriers is added, then 1 frequency on Trans Siberian Route network for Japanese carriers is added at the same time. However, in consideration of the current friendly relationship between Japan and the Russian Federation, the Japanese delegation accepted the proposal of the Russian delegation as an exception just this once and requested to have it recorded in this Record of Discussions.

3. Haneda Airport

- (1) The Japanese delegation explained that an additional 39,000 slots per year at Haneda Airport during its daytime hours – between 0600 and 2255 hours (local)-will become available, in light of the comprehension of the local governments and residents surrounding the airport, at the start of IATA Northern Summer 2020 season at the earliest.
- (2) Both delegations decided that the designated airline or airlines of each country may exercise third and fourth freedom traffic rights up to two (2) frequencies during its daytime hours per day (four (4) slots in total per day) for passenger services between points in the Russian Federation and Haneda Airport on Route 1. (1) and Route 2. (1) and/or Route 1. (2) and Route 2. (2) of the ANNEX I, without exercising fifth freedom traffic rights at Haneda Airport, when additional 39,000 slots per year become available for international scheduled flights at Haneda Airport during its daytime hours, at the start of IATA Northern Summer 2020 season at the earliest, in light of the comprehension of the local government and residents surrounding the airport.
- (3) The Japanese delegation stated that the availability of slots referred

to in paragraph 3.(2) above may no longer be assured, if they remain unused by the designated airline or airlines of each country at the start of IATA Northern Summer 2020 season.

- (4) The Japanese delegation stated that the availability of slots at Haneda Airport should be coordinated through the Japan Schedule Coordination, an independent and non-profit organization, in line with the IATA Worldwide Slot Guidelines in a fair and transparent manner.
- (5) The designated airline or airlines of either country, wishing to exercise the traffic rights with a concrete business plan at Haneda Airport, are encouraged to capitalize on currently available methodologies to secure necessary time slots, so that those airline or airlines may operate on the direct route(s) to and from Haneda Airport on a level playing field.
- (6) The designated airline or airlines of either country, wishing to exercise the traffic rights with a concrete business plan at Haneda Airport, could use commercially reasonable efforts to secure the necessary time slots at congested airports.
- (7) The Japanese delegation explained that the grant of traffic rights to allow the introduction of additional international daytime services at Haneda Airport, when additional 39,000 slots per year become available, may not hopefully detract from the status of Narita Airport as an international hub and its route network.
- (8) Both delegations confirmed that 2 slots per day at Haneda Airport will be provided to one Russian designated airline, and the rest 2 slots per day at Haneda Airport will be provided to the other Russian designated airline.

4. Code Sharing Services

- (1) The current code sharing services described in the ROD2011 should be replaced by the following.
- (2) Code sharing on the specified routes
 - (a) The designated airline or airlines of each country may enter into code sharing arrangements on the Route 1. (3) and Route 2. (3) of ANNEX I with any airline or airlines of the same country, any airline or airlines of the other

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88

country and/or any airline or airlines of the third countries which have the appropriate authority to exercise traffic rights over the segments concerned, either as an operating airline or airlines or a marketing airline or airlines, in line with the approval of the respective aeronautical authorities.

- (b) For the purpose of calculating the capacity used in such code sharing services, the capacity to be used should be counted against the capacity entitlements of the designated airline or airlines operating the aircraft. Code sharing services on the specified routes are not counted against the capacity entitlement of the marketing airline or airlines.
- (c) Any code sharing services on TSR, TPR and TAR routes are permitted for Japanese and Russian scheduled carriers already designated for services on these routes under the provisions of commercial arrangement concluded between the designated airline or airlines of both countries.
- (d) It is confirmed that, under the framework described in paragraph (a) through (c) above, any airline or airlines of each country may enter into code sharing arrangements as a marketing airline or airlines on the routes between points in the third countries and points of the other country in any order with any airline or airlines of the same country, any airline or airlines of the other country and/or any airline or airlines of the third countries which have the appropriate authority to exercise traffic rights over the segments concerned, in line with the approval of the respective aeronautical authorities.
- (e) Any airline or airlines on code sharing services as the marketing airline or airlines may not exercise fifth freedom traffic rights, with the exception of its (their) own stopover traffic.

(3) Code sharing on domestic segments

- (a) The designated airline or airlines of each country may enter into code sharing arrangements on the connecting domestic segments in the territory of the other country with any airline or airlines of the other country in line with the approval of the respective aeronautical authorities.

- (b) The maximum number of the segment(s) or frequencies for such code sharing services should not be limited.
- (c) The designated airline or airlines of each country should not exercise cabotage rights in the other country using the code sharing arrangements except for its (their) own stopover traffic.

(2) Objects falling from aircraft in flight

The Japanese delegation explained to the Russian delegation that in response to a growing public concern in Japan on cases where objects fell from aircraft in flight, any and all air carriers including foreign air carriers serving in Japan are required to establish a system which ensures the implementation of measures to prevent objects falling from aircraft in flight. The Japanese delegation sought for acknowledgement and cooperation from the Russian delegation on its introduction of the measures to cope with this issue. The Russian delegation noted Japan's explanations on it. The Japanese delegation stated the possibility of imposing administrative penalties, including suspension of air services, in a case that an airline does not properly implement abovementioned measures.

(3) Khabarovsk Airport Liberalization

- (a) Both delegations shared the view that the designated airline or airlines of each country may exercise third and fourth freedom traffic rights with unlimited frequencies for both passenger and/or all-cargo services between Khabarovsk Airport and points in Japan, excluding Haneda airport, using any type of aircraft.

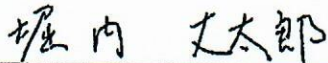
- (b) Both delegations shared the view that the designated airline or airlines of each country may exercise fifth freedom traffic rights with unlimited frequencies for both passenger and/or all-cargo services on Route 1. (4) and Route 2. (4) of the ANNEX I, using any type of aircraft.
- (c) Both delegations shared the view that for the analysis of efficiency of the framework described in subparagraphs 5. (3) (a) and (b) above, it was considered expedient to implement it for consecutive three IATA seasons from IATA Northern Winter 2019/2020 season. If the introduced framework proves itself and serves for the development of passenger traffic, the airport and the region as a whole, it may be extended.

The contents of this Record of Discussions will be implemented from the date of the signature, unless otherwise decided.

Signed

For the Civil Aviation Bureau of Japan

For the Ministry of Transport of the
Russian Federation



Jotaro Horiuchi


Svetlana Petrova

Date 2 September 2019

Date 2 September 2019

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18

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2. Routes to be operated in both directions by the designated airline or airlines of the Russian Federation:

- (1) Zhukovsky, St. Petersburg, Moscow, Novosibirsk and/or Krasnoyarsk – six (6) points in Asia to be specified by the Aeronautical Authorities of the Russian Federation – Sapporo, Tokyo, Nagoya and/or Osaka – Bangkok, Seoul, Hong Kong, Sanya or Jinan and/or a point in the United States of America (Note (1), (2), (3), (4) and (5))
- (2) Points in the Russian Federation except Moscow – Tokyo, Osaka, Nagoya, Sapporo, Toyama, Aomori, Niigata, Kita Kyushu, Fukuoka, Hakodate
- (3) Points in the Russian Federation – intermediate points – points in Japan – points beyond (Note (6))
- (4) Khabarovsk – intermediate points (excluding points on the mainland of China unless otherwise agreed) – points in Japan other than Tokyo – points beyond (excluding points on the mainland of China unless otherwise agreed)

Note

- (1) Other points in the third countries and a point in the United States of America shall be specified by agreement.
- (2) On Route 2. (1), the designated airline or airlines of the Russian Federation may not serve Tokyo and Osaka in succession on the same flight. The designated airline or airlines of Japan may not serve Moscow and St. Petersburg in succession on the same flight.
- (3) On Route 2. (1), the designated airline or airlines of the Russian Federation may not serve Bangkok, Seoul and/or Hong Kong to and from Sapporo, Nagoya or Osaka.
- (4) On Route 2.(1), the designated airline or airlines of the Russian Federation may serve a point in the United States of America only with joint services or code sharing arrangements with the designated airline or airlines of Japan.
- (5) On Route 2. (1), the designated airline or airlines of both countries may temporarily use Niigata in addition to Sapporo, Tokyo, Nagoya and Osaka in accordance with the agreement between the Aeronautical Authorities of both countries. In this case, the designated airline or airlines of the Russian Federation may not serve Sapporo, Tokyo, Nagoya or Osaka in combination with Niigata in succession on the same flight.
- (6) _____ | Route 2. (3), the designated airline or airlines of each country may serve only for code sharing services as a marketing airline or marketing airlines.

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