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Served: December 16, 2003

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

NOTICE

**Japan Charter Authorizations
(January 1 – December 31, 2004)**

Under the terms of a 1998 U.S.-Japan Memorandum of Understanding (1998 MOU), U.S. carriers can operate 800 one-way charter flights (hereinafter we refer to “one-way charters” simply as “charters”) between the United States and Japan during the calendar year 2004 (January 1-December 31, 2004), subject to the limitation that no more than 300 of these flights may serve Tokyo.

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 are 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 allotments would be issued in advance of the beginning of the charter year to qualifying carriers for the upcoming charter year.

Under our streamlined procedures, five carriers—Continental Micronesia, Polar Air Cargo, Gemini Air Cargo, Atlas Air, and Evergreen International Airlines—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, Continental Micronesia would receive an advance allocation of 24 charters, Polar 24, Gemini 40, Atlas 38, and Evergreen 30 charters. The remaining 644 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 service in calendar year 2004. They also are required to file monthly reports of the charter flights operated from their advance allocations. Carriers operating flights from the charter pool must also file post flight reports, identifying the date of the Notice of Consistency under which those flights were approved.

The advance allotments issued by this notice and flights operated from the charter pool for operations in calendar year 2004 are subject to the conditions and procedures established in the Appendix.

By:

MICHAEL W. REYNOLDS
Acting Assistant Secretary for
Aviation and International Affairs

(SEAL)

Dated: December 16, 2003

Attachment

*An electronic version of this document is available on the World Wide Web at:
http://dms.dot.gov/reports/reports_aviation.asp*

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 contracts during the six-month period ending June 30, the remaining charter allotments exceeding or equal to the number of those already operated or committed by contract in the preceding six 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 January 1 through October 31, 2004, carriers may apply for up to 50 charters per month;

- (b) After October 31, 2004, no restrictions apply on the number of charters that may be applied for each month;

- (c) Applications to operate charters may be filed no earlier than 120 days in advance of the flight date;¹ and

- (d) 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, 2004, 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 July 10, 2004, of the number of charters it has operated through June 30, 2004, 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; and (3) the number of charters for which Japanese authority was obtained for that month which

¹ To facilitate the application process, we have changed this condition to permit applications as many as 120 days in advance of the flight date instead of only 90 days as had been the case previously.

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 flights(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.

U.S.-JAPAN CHARTER OPERATIONS

2001

2002

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Continental Micronesia	0	0	0	0	0	0	4	0	2	3	8	0	17
Polar Air Cargo	1*	3*	1*	4*	3*	0	2	1	2	1	1	2	21
Gemini Air Cargo	1*	3*	1*	0	0	0	0	8*	6*	0	0	0	19
Atlas Air	0	0	0	1*	0	0	0	0	0	2*	1*	0	4
Evergreen	0	1*	0	0	0	0	0	0	0	0	0	0	1

2002

2003

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Continental Micronesia	0	6	2	0	0	2	7	11	3	0	0	0	31
Polar Air Cargo	3	1	2	4	2	0	1	3	0	1	3	4	24
Gemini Air Cargo	0	0	0	41*	18*	0	0	0	0	0	0	0	59
Atlas Air	0	0	0	64*	4*	0	0	0	1	0	0	0	69
Evergreen	0	0	0	45*	12*	2*	0	0	0	0	0	0	59

*Flights obtained from the charter pool

	<u>Two Year Average</u>		<u>Average</u>	<u>Rounded to Next Even Number²</u>
	<u>2001/2002</u>	<u>2002/2003</u>		
Continental Micronesia	17	31	24	24
Polar Air Cargo	21	24	22.5	24
Gemini Air Cargo	19	59	39	40
Atlas Air Cargo	4	69	36.5	38
Evergreen	1	59	30	30

² Our procedures provide that the average number will be rounded to the next even number. See Order 92-6-32 at page 4.