

**RECORD OF DISCUSSIONS BETWEEN
THE AERONAUTICAL AUTHORITIES OF
JAPAN AND THE SCANDINAVIAN COUNTRIES**

Delegations of the aeronautical authorities of Japan and the Scandinavian countries met in Tokyo on 10 and 11 October 2012 in order to discuss the aviation relationship between Japan and the Scandinavian countries.

The meeting was held in a friendly and cordial manner.

The lists of both delegations are attached hereto as Appendices A and B.

During the course of discussions, the delegations wished to record as follows:

1. Route schedule

- 1.1 The existing Schedules to the Air Services Agreements signed in 1953 between Japan and Denmark, between Japan and Norway and between Japan and Sweden, (hereinafter referred to as "the Agreements") will be amended as described in Appendix C.
- 1.2 The new Schedule will come into effect after confirmed by an exchange of diplomatic notes in accordance with Article 15 of the Agreements.
- 1.3 Both delegations shared the view that the designated airline or airlines of each side should be authorized to operate its or their services on the routes described in Appendix C, on a provisional basis to the extent possible under national law, until the exchange of diplomatic notes.

2. Capacity Arrangements

- 2.1 Both delegations shared the view that the capacity arrangements for the operations of the designated airline or airlines of each side described in paragraph 2 of Record of Discussions signed on 16 September 2008 (ROD 2008) will be replaced, to the extent applicable, by the following:

With Immediate implementation

- (1) The designated airline or airlines of each side may exercise third and fourth freedom traffic rights with unlimited frequencies for both passenger and/or all-cargo services, utilizing any type of aircraft, between any point in Japan, except Haneda Airport, and any point in Scandinavian countries with the exception of subparagraphs (2) and (3) below.
- (2) The designated airline or airlines of Japan may operate passenger and/or all-cargo services, utilizing any type of aircraft, up to eighteen (18) frequencies per week in total, on the specified routes to and from Narita Airport.
- (3) The designated airline or airlines of Scandinavian countries may operate passenger and/or all-cargo services, utilizing any type of aircraft, up to eighteen (18) frequencies per week in total, on the specified routes to and from Narita Airport, under the following conditions that:
 - (a) services to and from Narita Airport should be operated within the total number of slots per week allocated to the respective airlines at Narita Airport; and
 - (b) up to seven (7) frequencies per week may be operated per city-pair.
- (4) In addition to subparagraphs (1) through (3) above, the designated airline or airlines of each side may operate all-cargo services, utilizing any type of aircraft, up to six (6) frequencies per week on Routes I (B) and (D) and Routes II (B) and (D), under the following conditions that:
 - the designated airline or airlines of Japan may not serve Fukuoka, Tokyo and points beyond Scandinavia on Route I (B); and
 - The designated airline or airlines of Scandinavian countries may not serve Tokyo and points beyond Japan on Route II (B).

When 270,000 Slots per year become available at Narita Airport

- (5) When 270,000 slots per year become available at Narita Airport (anticipated in IATA Northern Summer 2013 Season), subparagraphs (2) and (3) will be deleted.

2.2 For the purpose of the above mentioned capacity entitlements, a frequency means a round trip.



3. Code sharing arrangements

3.1 Both delegations shared the view that the current arrangements with regard to code sharing for the designated airline or airlines of each side, described in paragraphs 3. and 4. of the ROD 2008, will be replaced, to the extent applicable, by the following:

- (1) The designated airline or airlines of each side which have appropriate authorities to provide the scheduled services may enter into code sharing arrangements on the specified routes, subject to approval of the respective aeronautical authorities whenever approval is requested, with:
 - the designated airline or airlines of the same country;
 - the designated airline or airlines of the other country; and
 - any airline or airlines of third countries

on the following conditions that:

- (a) the airline or airlines with which the designated airline or airlines may enter into code sharing arrangements have appropriate authorities to exercise traffic rights over the segments concerned; and
 - (b) the designated airline or airlines may not exercise fifth freedom traffic rights with the exception of its or their own stopover traffic on the code sharing services as a marketing airline or airlines on any segment to and from a point in the other side.
- 3.2 For the purpose of calculating the capacity used in such code sharing services, the capacity to be used should be counted as the capacity of the designated airline or airlines operating aircraft. Code sharing services on the specified routes are not counted against the capacity entitlement of the marketing airline or airlines.
- 3.3 With regard to the code sharing services on the domestic segments, the designated airline or airlines of each side may serve the domestic segments by entering into code sharing arrangements on the connecting domestic routes in the territory of the other side with airline or airlines of the other side, which have appropriate authority over the segment concerned, outside the capacity entitlements described in paragraph 2 above.

3.4 The designated airline or airlines of each side should not exercise cabotage rights in the other side using the code sharing arrangements except for its or their own stopover traffic.

3.5 The designated airline or airlines of each side must, in respect of any ticket sold by them, make it clear in accordance with relevant legislations which airline or airlines will actually operate each sector of the services and with which airline or airlines the purchaser is entering into contractual relationship.

4. Designation, authorisation and revocation

4.1 Both delegations shared the view that the current arrangements with regard to designation, authorisation and revocation described in paragraph 7 of the ROD 2008, will be replaced, to the extent applicable, by the following:

4.2 Both delegations confirmed that notwithstanding provisions of paragraph (1) of Article 7 of the Agreements between Japan and Denmark/Norway/Sweden for Air Services, the aeronautical authorities of Japan would not exercise the rights mentioned in paragraph (1) of Article 7 of these Agreements, where:

- (1) an airline is established, under the treaties on the European Union (hereinafter referred to as "EU") or under the Agreement on the European Economic Area (hereinafter referred to as "EEA Agreement"), in the territory of Denmark/Norway/Sweden and has a valid operating license from an EU Member State in accordance with EU Law or an EEA Member State in accordance with national law adopted under the EEA Agreement; and
- (2) regulatory control of the airline is exercised and maintained by the EU Member State or the EEA Member State responsible for issuing its air operator's certificate, and the relevant aeronautical authority is clearly identified in the designation; and
- (3) the airline has its principal place of business in the territory of the EU Member State or the EEA Member State from which it has received the valid operating license; and
- (4) the airline is owned directly or through majority ownership and is effectively controlled by EU Member States or States of the European Free Trade Association and/or by nationals of such States.



4.3 Notwithstanding paragraph 4.2. above, the aeronautical authorities of Japan may exercise the rights mentioned in paragraph (1) of Article 7 of the Agreements between Japan and Denmark/Norway/Sweden for Air Services, where:

- (1) by exercising traffic rights under the Agreements between Japan and Denmark/Norway/Sweden for Air Services on a route that includes a point in another EU or EEA Member State, including the operation of a service which is marketed as, or otherwise constitutes a through service, the airline would in effect be circumventing restrictions on traffic rights imposed by an agreement between Japan and that other EU or EEA Member State; or
- (2) the airline holds an air operator's certificate issued by another EU or EEA Member State and there is no bilateral air services agreement between Japan and that Member State and traffic rights to that EU or EEA Member State have been denied to an airline designated by Japan.

4.4 Both sides shared the view that in cases where the aeronautical authorities of Japan find that an airline, which is designated by Denmark/Norway/Sweden and whose regulatory control is exercised and maintained by another EU or EEA Member State, does not comply with the relevant safety standards, the aeronautical authorities of Denmark/Norway/Sweden will use their best efforts, where necessary, to urge that EU or EEA Member State to address the situation and, where necessary, to ensure that the airline concerned complies with the said standards.

5. Aviation Safety

5.1 Both delegations shared the view that the current arrangements with regard to aviation safety described in paragraph 5.1.(9) of the ROD 2008 will be replaced, to the extent applicable, by the following;

Where Scandinavian countries have designated an airline whose regulatory control is exercised and maintained by another EU or EEA Member State, the rights of the Japanese side mentioned in this paragraph will be reserved equally in respect of the adoption, exercise or maintenance of safety standards by that EU or EEA Member State and in respect of the operating authorisation of that airline.

6. Others

- 6.1 Both delegations confirmed that the current arrangements, unless otherwise decided in this Record of Discussions, should remain unchanged.
- 6.2 The Scandinavian delegation stated that the arrangements confirmed in paragraphs 2 through 5 are subject to Scandinavian governments' approval as appropriate and that they will be provisionally implemented to the extent possible under their national law, pending such approval.
- 6.3 Both delegations shared the view that they should meet again on a mutually convenient date to discuss further liberalisation, including inter alia a simplified route schedule.

Signed in Tokyo on 11 October 2012

for the aeronautical authorities of
Japan



Akinari Iizuka

for the aeronautical authorities of
the Scandinavian countries



Hans Brändström

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Schedule

I. Routes to be served by the designated airline or airlines of Japan

- (A) Tokyo – Osaka – Fukuoka – Okinawa – points on the mainland of China and/or on Taiwan – Hong Kong or Manila – points in Cambodia, Laos, Myanmar and/or Viet Nam – Bangkok – Yangon – Colombo – points in India and Bangladesh and Pakistan – points in the Middle and Near East – Cairo – Athens – Rome – Geneva, Zurich or Madrid – Frankfurt am Main – Paris, Brussels or Amsterdam – points in Scandinavia and points beyond, in both directions.
- (B) Fukuoka – Osaka – Tokyo – points in the North Pacific and Canada – Frankfurt am Main and/or another point in Europe – points in Scandinavia and points beyond, in both directions.
- (C) Points in Japan – Moscow – Amsterdam and/or Frankfurt am Main and/or London and/or Paris – points in Scandinavia and points beyond, in both directions.
- (D) Osaka and/or Nagoya – Macau – a point in India – Almaty or Tashkent - a point in the Middle and Near East – Frankfurt am Main – two points in Scandinavia, in both directions.
- (E) Points in Japan – intermediate points – points in Scandinavia – points beyond, in both directions.

Note1: On Route (C), the designated airline or airlines of Japan may exercise traffic rights between any point out of Amsterdam, Frankfurt am Main, London and Paris, and points in Scandinavia only for its or their own stopover passengers.

Note2: On Route (D),

- (1) the designated airline or airlines of Japan may only operate all-cargo services; and
- (2) the designated airline or airlines of Japan may not exercise fifth freedom traffic rights between two points in Scandinavia and any intermediate point.

Note3: On Route (E), the designated airline or airlines of Japan may not exercise fifth freedom traffic rights on any segment to and from points in Scandinavia.

The agreed services provided by the designated airline or airlines of Japan shall begin at a point in the territory of Japan, but other points on the route may at the option of the designated airline or airlines be omitted on any or all flights.

II. Routes to be operated in both directions by the designated airline or airlines of Denmark/Norway/Sweden

(A) Points in Scandinavia – points in Europe – points in the Near and the Middle East – points in Pakistan – points in India – points in Sri Lanka – points in Myanmar – Bangkok – Hong Kong or Manila – Tokyo and points beyond, in both directions.

(B) Points in Scandinavia – Frankfurt am Main – points in Alaska and the Aleutian Islands – Tokyo – Osaka and points beyond, in both directions.

(C) Points in Scandinavia – Frankfurt am Main – Moscow – one point in China - Tokyo and/or Osaka and/or Nagoya, in both directions.

(D) A point in Scandinavia – Frankfurt am Main – a point in the Near and Middle East – Almaty or Tashkent - a point in India – Macau – Osaka, in both directions.

(E) Points in Scandinavia – intermediate points – points in Japan – points beyond, in both directions.

Note1: On Route (C),

- (1) the designated airline or airlines of Denmark/Norway/Sweden may exercise traffic rights between Frankfurt am Main and Tokyo, between Frankfurt am Main and Osaka and between Frankfurt am Main and Nagoya only for its or their own stopover passengers; and
- (2) the designated airline or airlines of Denmark/Norway/Sweden may serve “one point in China” only for all-cargo services without exercising fifth freedom traffic rights between “one point in China” and points in Japan.

Note2: On Route (D),

- (1) the designated airline or airlines of Denmark/Norway/Sweden may only operate all-cargo services; and
- (2) the designated airline or airlines of Denmark/Norway/Sweden may not exercise fifth freedom traffic rights between Osaka and any intermediate point.

Note3: On Route (E), the designated airline or airlines of Denmark/Norway/Sweden may not exercise fifth freedom traffic rights on any segment to and from points in Japan.

The agreed services provided by the designated airline or airlines of Denmark/Norway/Sweden shall begin at a point in Scandinavia, but other points on the route may at the option of the designated airline or airlines be omitted on any or all flights.

III. The word "Scandinavia" in this Schedule means Denmark, Norway, Sweden and Danish territorial possessions.

