

琉球大学学術リポジトリ

沖縄関係 沖縄の航空権益第五卷

メタデータ	言語: 出版者: 公開日: 2019-02-01 キーワード (Ja): キーワード (En): 作成者: - メールアドレス: 所属:
URL	http://hdl.handle.net/20.500.12000/43489

CONFIDENTIAL

974 (255)

CONFIDENTIAL

CO

July 24, 1970

AIR TRANSPORT RIGHTS

U. S. Talking Points

The existing US-Japan Civil Air Transport Agreement recognizes that by virtue of Article 3 of the Multilateral Treaty of Peace with Japan signed September 8, 1951, Okinawa is considered a U.S. point.

Upon reversion to Japan of the powers granted to the U.S. by Article 3, the U.S. concedes that Okinawa no longer should be considered a U.S. point for purposes of aviation rights since this effect is implicit in the concept of Okinawa reversion, and the Air Transport Agreement should be amended accordingly.

Nevertheless, absent specific agreement of the U.S. and Japan, amendment of the Air Transport Agreement to reflect the changed character of Okinawa as an aviation point would produce effects much broader than those necessarily implied by reversion. Adverse effects on U.S. balance of payments and on U.S. commercial carriers would be created.

A basic proposition in Okinawa reversion discussions that has been accepted in principle by both sides is that Okinawa reversion should not result in a balance of payments loss to the U.S. nor in harm to U.S. business interests operating in Okinawa. It will be important to the USG to show that this

CONFIDENTIAL

CONFIDENTIAL

2

proposition has been applied to civil aviation aspects of reversion as well as other economic and financial interests of the U.S. Because of continuing concerns about U.S. balance of payments and the considerable influence of U.S. commercial air carriers, the USG attaches great importance to the willingness of the Japanese Government to discuss ways in which these various effects could be alleviated, at least temporarily.

The USG recognizes that it would be unreasonable to request the Japanese Government to agree to permanent, exceptional treatment for Okinawa as a civil aviation point. Accordingly, the USG does not request such consideration. The USG does request, however, that the Japanese Government agree that for a period of ten years following the date of reversion, some of the various adverse effects on U.S. aviation caused by Okinawa reversion be alleviated.

A description of various consequences for aviation rights of Okinawa reversion and the U.S. position on each follow below:

I - Okinawa (Naha) to Remain a Service Point for U.S. Carriers

Four U.S. carriers presently are serving Okinawa. (See Annex I for History of U.S. aviation authority and Annex II for Present U.S. Air Services). The USG considers that the US should continue to have air transport rights in Okinawa so that these four carriers may continue their established operations

CONFIDENTIAL

CONFIDENTIAL

there.

Preservation of these air rights would be confirmed in an amendment to the Schedule of the US-Japan Civil Air Transport Agreement to (a) add Naha as a co-terminal with Tokyo and Osaka in US Routes 1 and 2; and (b) delete Route 3 for both the US and Japan, together with the accompanying footnote. These amendments would come into effect upon the date of reversion.

II - Temporary Continuation of Okinawa-Japan US Transport Rights

At present, both US and Japanese air carriers maintain service between Okinawa and mainland Japan. The USG considers that after reversion US carriers should be allowed to continue for a period of ten years to maintain their services. Japanese agreement to this temporary continuation, while not adversely affecting Japanese carriers, would alleviate some of the economic impact of Okinawa reversion on US air carriers.

The USG does not contest that reversion of Okinawa will convert this presently international route into cabotage inside Japan. Accordingly, the USG does not request the Japanese Government to grant these rights in perpetuity. The USG requests, in effect, a short period of transition so that a part of the economic impact on US aviation in Okinawa be somewhat postponed. If such transition period is not granted by Japan, US air carriers presently operating an Okinawa-Japan service would be prevented immediately upon reversion from

CONFIDENTIAL

CONFIDENTIAL

operating as at present in Okinawa and would suffer corresponding adverse economic consequences; and the US would experience immediate and adverse balance of payments effects.

The U.S. does not contest the right of Japan, sanctioned by international usage, to limit cabotage rights to its own nationals; and the U.S. certainly does not ask the Government of Japan to grant rights to U.S. carriers over routes historically within Japan proper. The United States Government and the Japanese Government, by transferring administration of Okinawa, would be creating cabotage where none existed before. If the Japanese Government were to seize upon the newly created cabotage character of the Okinawa-Japan route as the reason for immediately declining to allow U.S. carriers to operate over that route and thereby causing them economic hardship, new difficulties would be presented for obtaining U.S. legislative support for the Okinawa reversion agreement.

The U.S. notes that Japanese cabotage regulations, in Article 130, expressly provide that the Minister of Transportation may make exception to the normal requirement that cabotage carriers be of Japanese nationality.

III. Alleviation of "Balance of Benefits" Consequences of Reversion

Both the U.S. and Japan accept the principle that one of the fundamental goals of the Air Transport Agreement is to achieve an exchange of commercial air rights of approximately

CONFIDENTIAL

CONFIDENTIAL

equal value. In 1969, Japan was granted two new routes in recognition of a previous net imbalance in favor of the U.S. The estimated benefit (\$11 million) of those two new routes for Japan will more than offset the 1968 imbalance of \$7-1/2 million.

The USG concedes that upon reversion it would be improper to continue, as at present, to charge Japan for airline revenues resulting from the carriage of traffic between Okinawa and Japan and for routes beyond Okinawa conducted under authority of the Air Transport Agreement. Accordingly, by virtue of this fact alone, Japan will be relieved upon reversion of a benefit charge of approximately \$6.8 million (see Annex III). In addition, Japan will be enabled by virtue of its jurisdiction over Okinawa to enlarge its route authority; for example, between Okinawa and the TTPI and Guam, Okinawa-US and Okinawa to third countries. In turn, the U.S. would be charged for route values of services using Okinawa. Tentative U.S. calculations are that the combined route benefit change resulting from US-Japan agreement on Okinawa reversion would total in excess of \$16 million for Japan. If these changes were to result from normal causes, the U.S. would concede the right to Japan to ask for compensation in the form of new route rights.

In recognition, however, that these route benefit changes will have resulted from the act of reversion itself, the USG asks the agreement of Japan that, for a transitional period of

CONFIDENTIAL

ten years following the date of reversion, these additional benefits to Japan not be used as a basis for Japanese requests for compensatory route rights to be granted by the U.S.

The U.S. position is based not only upon the extraordinary nature of the transfer of jurisdiction over Okinawa, but also upon the fact that a large proportion of U.S. carriage to and from Okinawa results from the U.S. military presence there, which is consonant with the policies of both countries and which, after reversion, will be sanctioned by the US-Japan Security Treaty. Consequently, revenues to U.S. carriers on which calculations of Okinawa route benefits will be based derive substantially from payments by the U.S. Government to U.S. carriers as a cost of supporting our security forces in the Far East. Furthermore, in light of the probability of future adjustments in the U.S. presence in Okinawa following reversion and the reduction in numbers of U.S. bases in Japan, the need for U.S. air services to Okinawa may be reduced and a gradual decline take place in the value of Okinawa to U.S. carriers as a point in their Pacific service patterns. This instability makes extremely uncertain any prediction as to the post-reversion value of U.S. air services to Okinawa. This fact, coupled with the fact that the current US-Japan earnings balance from already granted route authorities itself continues to be instable, is persuasive that it would be imprudent to attempt upon reversion or even shortly before to confirm any

CONFIDENTIAL

CONFIDENTIAL

7

supposed changed balance of benefits by the essentially irreversible means of granting new authorities.

Therefore, the U.S. request for a ten-year transitional period before benefits from Okinawa service enter into the calculations of either side in determining the route benefit balance is based on equitable considerations of the nature of reversion, on the military source of revenue of U.S. carriers operating through Okinawa, and on the frailty of any calculations based on inherently changing conditions.

CONFIDENTIAL

7

CONFIDENTIAL

ANNEX I

HISTORY OF U.S. AVIATION AUTHORITY AT OKINAWA

U.S. airlines have provided scheduled air services to Okinawa since 1947. The U.S. authority to conduct Okinawan air services derived initially from the rights of Occupation under the laws of war. Since the entry into force of the Multilateral Treaty of Peace with Japan, the right to regulate and control aviation rights on the island has derived from Article 3 of that Treaty which confers upon the U.S. "the right to exercise all and any powers of administration, legislation, and jurisdiction over the territory and inhabitants of the islands, including their territorial waters."

In 1952, the U.S. and Japan negotiated the present Civil Air Transport Agreement. During the negotiation of that Agreement, the U.S. received a route from the U.S. via the Central Pacific to Tokyo. The U.S. delegation pointed out to the Japanese that this route description authorized U.S. air services between Okinawa and Tokyo because Okinawa was under the "protection" of the U.S., and, therefore, in accordance with Article 2 of the Civil Air Transport Agreement, was included in the definition of U.S. territory. The Japanese delegation acknowledged that this was the case. However, because of sensitivity in Japan concerning Okinawan sovereignty, the U.S. agreed to a Japanese proposal to have a reciprocal exchange of Okinawan routes accompanied by a footnote which states: "In granting these routes, the respective Contracting Parties are cognizant of the provision of Article 3 of the Treaty of Peace with Japan...under which the United States of America exercises the powers of administration, legislation, and jurisdiction over Okinawa."

CONFIDENTIAL

8

CONFIDENTIAL

ANNEX II

PRESENT AIR SERVICES AT OKINAWA

At present, four U.S. carriers serve Okinawa. The pattern and frequency of U.S. carrier services is as follows:

Northwest Airlines	7 weekly roundtrips US-Tokyo Osaka-Okinawa-Taipei (with change of flight number in Tokyo)
	3 weekly southbound US-Tokyo Okinawa-Manila
	2 weekly northbound Manila- Okinawa-Tokyo-US
	2 weekly roundtrips, all cargo, US-Tokyo-Okinawa
	1 weekly Tokyo-Okinawa-Taipei
	3 weekly roundtrip US-Tokyo- Okinawa-Hong Kong
Flying Tiger Line	6 weekly westbound all-cargo flights which operate US-Tokyo- Okinawa and beyond
Trans-World Airlines	7 weekly roundtrips on its round-the-world service. These flights operate US-Guam-Okinawa Taipei-Hong Kong and beyond in both directions.
Continental Airlines/Air Micronesia	1 weekly roundtrip Saipan-Okinawa

CONFIDENTIAL

CONFIDENTIAL

ANNEX III

BALANCE OF BENEFITS

The following bookkeeping balance of benefits shows the revenues earned in 1968 from the operation of air services authorized by the exchange of route rights under the US-Japan Civil Air Transport Agreement:

1968 Balance of Benefits

	<u>Passenger Revenues 1968 (000)</u>	
	<u>US Carriers</u>	<u>Japanese Carriers</u>
US-Japan and beyond	\$86,967	\$75,561
Okinawa-Japan	3,218	5,894
Okinawa-Taipei		1,143
Okinawa-Hong Kong		12
	<hr/>	<hr/>
	\$90,185	\$82,610
Net Imbalance for US	+7,575	

(The above imbalance in earnings constituted the primary justification in 1969 for the grant to Japan to two new routes: Japan-Anchorage-New York, and Japan-Saipan-Guam. These route grants will have an impact on the balance of benefits of about \$11 million which will more than offset the 1968 imbalance in favor of the U.S.)

When Okinawa reverts to Japanese control, a number of changes will occur in the Civil Air Transport Agreement ledger. Japanese airline revenues from the carriage of traffic between Okinawa and Japan (\$5.9 million) will continue to be earned. Except for \$.3 million related to through Okinawa-US service, however, these revenues will no longer be charged against Japan in the bilateral accounts because this traffic will become domestic cabotage. Furthermore, the US will not be able to charge Japan for continued Okinawa-Taipei and Okinawa-Hong Kong operations (\$1.2 million) because these services will not be conducted under authority contained in the US-Japan Air Transport Agreement. In addition to these advantageous bookkeeping changes (totalling \$6.8 million), control over Okinawa will enable Japanese carriers to operate from Okinawa to the US under route authority presently contained in the bilateral aviation agreement.

CONFIDENTIAL

CONFIDENTIAL

2

Effect of Reversion on Charges for Rights to Okinawa

	<u>Passenger revenues 1968 (000 omitted)</u>	
	<u>US Carriers</u>	<u>Japanese Carriers</u>
1968 Route Values (Total)	\$90,185	\$82,610
OKINAWA REVERTS:		
1) Charge US for:		
Okinawa-US	+1,612	
Okinawa-Taipei	+ 280	
Okinawa-Hong Kong	+ 395	
Okinawa-Manila	+ 225	
2) Relieve Japan Charges for:		
Okinawa-Japan		-5,602
Okinawa-Taipei		-1,143
Okinawa-Hong Kong		- 12
	<hr/>	<hr/>
	\$92,697	\$75,853

Net imbalance in favor of the US: \$16,844

Thus, the preservation of current US air transport rights at Okinawa when that island reverts, together with the other bookkeeping changes in the calculation of the bilateral earnings balance that will accompany reversion, will increase the net imbalance from \$7.6 million to \$16.8 million for a net change of \$9.2 million.

Effect of Reversion During the No-Charge Period

US carriers will suffer little or no revenue loss and Japanese carrier revenue gains will be limited to those attributable to the enlargement of Japan aviation authority due to reversion.

In the calculation of the balance of economic benefits, there would be the following effect during the no-charge time period:

CONFIDENTIAL

CONFIDENTIAL

3

US Retains Present Rights - No Charge

	<u>Passenger Revenues 1968 (000 omitted)</u>	
	<u>US Carriers</u>	<u>Japanese Carriers</u>
US-Japan and beyond	\$86,967	\$75,562
Okinawa-US	no-charge	292
Okinawa-Japan	no-charge	
Okinawa-Hong Kong	no-charge	
Okinawa-Taipei	no-charge	
Okinawa-Manila	no-charge	
	<hr/>	<hr/>
	\$86,967	\$75,853

The net increase in the imbalance (as between the present and post-reversion) would therefore be \$3.5 million (\$11.1 million minus \$7.6 million). When the estimated impact of the routes granted Japan in 1969 is taken into account in the above calculation, however, the carrier revenues charged to each side are approximately equal.

CONFIDENTIAL