

(Japanese Note)

(Translation)

Tokyo, January 23, 2006

Sir,

I have the honor to refer to the Agreement between Japan and the United States of America concerning New Special Measures relating to Article XXIV of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between Japan and the United States of America, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan, signed today (hereinafter referred to as "the Agreement"). I have further the honor to inform you of the following:

1. In implementing the provisions of Article V of the Agreement, the Government of Japan takes the policy to calculate the amount of the initial draft budget request for each Japanese fiscal year for those expenditures, which Japan will bear in accordance with the provisions of Article I of the Agreement, on the basis of the average of the annual average number of workers during the three consecutive fiscal years preceding the fiscal year prior to the relevant fiscal year (not exceeding 23,055 workers (hereinafter referred to as "the Upper Limit of the Number of Workers"))). In case substantial change is predicted in the annual average number of workers in a certain fiscal year as compared to the average of the annual average number of workers during the three consecutive fiscal years preceding the fiscal year prior to the said certain fiscal year, the possibility of modifying the annual average number of workers in the calculation of the amount of the initial draft budget request for the said certain fiscal year, so far as the annual average number of workers in the said certain fiscal year does not exceed the Upper Limit of the Number of Workers, will not be excluded.

Mr. Robert B. Zoellick
Deputy Secretary of State
of the United States of America

2. a. In implementing the provisions of Article V of the Agreement, the Government of Japan takes the policy to calculate the amount of the initial draft budget request for each Japanese fiscal year for those expenditures, which Japan will bear in accordance with the provisions of Article II of the Agreement, on the basis of the average of the annual procured quantity during the three consecutive Japanese fiscal years preceding the fiscal year prior to the relevant fiscal year (not exceeding each procured quantity provided for in i to vii respectively for electricity, gas, water supply and sewerage, and fuels stipulated in Article II (hereinafter referred to as "the Upper Limit of the Procured Quantity")). In case long-term substantial change is predicted in the annual procured quantity at certain facilities and areas from a certain fiscal year as compared to the average of the annual procured quantity at those facilities and areas during the three consecutive fiscal years preceding the fiscal year prior to the said certain fiscal year, the possibility of modifying the annual procured quantity in the calculation of the amount of the initial draft budget request for the said certain fiscal year budget, so far as the total annual procured quantity in the said certain fiscal year does not exceed the Upper Limit of the Procured Quantity, will not be excluded.

i	electricity	1,115,942,000	KWH
ii	gas	327,000	m ³
iii	water	17,248,000	m ³
iv	sewerage	11,315,000	m ³
v	FS-1	124,576	KL
vi	kerosine	3,038	KL
vii	propane gas	224,000	m ³

- b. With regard to the average of the annual procured quantity during the three consecutive Japanese fiscal years preceding the fiscal year prior to each fiscal year mentioned in a. above, the Government of Japan takes the policy not to include in the said average of the annual procured quantity, the average of the annual quantity procured for the residential housing of the members of the United States armed forces, civilian component, and their dependents outside facilities and areas.

- c. In order to be always informed of the contracts to procure electricity, gas, water supply and sewerage, and fuels stipulated in Article II of the Agreement, the Government of Japan wishes that the Government of the United States of America inform the former of the contents of the existing contracts and notify the former in advance of the contents of the revision or rescission of such contracts or the conclusion of new contracts, and intends to request, as necessary, consultations from time to time.
- 3. In implementing the provisions of Article V of the Agreement, the Government of Japan takes the policy to calculate the amount of the initial draft budget request for each Japanese fiscal year for those expenditures, which Japan will bear in accordance with the provisions of Article III of the Agreement, taking into account the estimate of the relevant costs submitted by the Government of the United States of America.
- 4. It is confirmed that, in order to assure the proper execution of this bearing of expenditures, the two Governments may consult under the provisions of Article VI of the Agreement.

I avail myself of this opportunity to extend to you the assurances of my high consideration.

Taro Aso
Minister for Foreign Affairs
of Japan

(U.S. Note)

Tokyo, January 23, 2006

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of today's date concerning the Agreement between the United States of America and Japan concerning New Special Measures relating to Article XXIV of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan, signed today (hereinafter referred to as "the Agreement"). I have further the honor to inform Your Excellency of the following:

1. The Government of the United States of America has no objection to the policies of the Government of Japan expressed in 1., 2.a. and b., and 3. of Your Excellency's note.
2. In order for the Government of Japan to be always informed of the contracts to procure electricity, gas, water supply and sewerage, and fuels stipulated in Article II of the Agreement, the Government of the United States of America intends to inform the former of the contents of the existing contracts and to notify the former in advance of the contents of the revision or rescission of such contracts or the conclusion of new contracts as well as to hold consultations upon request from the Government of Japan.
3. It is confirmed that, in order to assure the proper execution of this bearing of expenditures, the two Governments may consult under Article VI of the Agreement.

His Excellency
Mr. Taro Aso
Minister for Foreign Affairs
of Japan

Accept, Excellency, the extended assurances of my
highest consideration.

Robert B. Zoellick
Deputy Secretary of State
of the United States of America

(Notes between the Minister for
Foreign affairs of Japan and
the Deputy Secretary of State of
the United States of America
concerning the Agreement)