

Excerpt of Draft Explanation concerning Cross-Strait Air Transport Agreement

— The Results of the Second Chiang-Chen Meeting (Air Transport)

Mainland Affairs Council
November 4, 2008

The signing of the Cross-Strait Air Transport Agreement between the SEF and ARATS on November 4 has achieved the following major breakthroughs in cross-strait air transport:

1. Direct flight path in both directions

- (1) The two sides have agreed to open a direct two-way flight path in a northern line across the Taiwan Strait. In the future, cross-strait flights will follow the current international airway B576 from BERBA point toward the west, and after passing an air traffic control handover point agreed by both sides ($27^{\circ}26'20''$ E $122^{\circ}25'19''$), will transition to an inland flight point at Dongshan in the mainland. This flight path involves direct handover between the air traffic control departments on either side of the Taiwan Strait, and can be used in both directions to achieve the goals of saving time and money.
- (2) The two sides agree to continue consultations on opening a direct two-way flight path in a southern line across the Taiwan Strait, as well as other more convenient flight paths.

2. Weekday charters, and increasing the flight schedule and flight points

- (1) Weekend charters will be adjusted to normalized 7-days-a-week charters.
- (2) Flight points
 - a. Taiwan will continue to use 8 flight points, namely: Taoyuan, Kaohsiung (Siaogang), Taichung (Chingchungkang), Taipei (Sungshan), Penghu, (Makung), Hualien, Kinmen and

Taitung.

- b. Mainland flight points will be increased to 21, including the existing 5 flight points of Beijing, Shanghai (Pudong), Guangzhou, Xiamen and Nanjing, plus the 16 additional flight points of Chengdu, Chongqing, Hangzhou, Dalian, Guilin, Shenzhou, Wuhan, Fuzhou, Qingdao, Changsha, Haikou, Kunming, Xian, Shenyang, Tianjin and Zhengzhou.

(3) Number of flights

- a. The two sides will operate a total of 108 round-trip flights per week, with each side operating 54 round-trip flights. (Currently, the two sides are operating a total of 36 round-trip flights per week.)
- b. Taiwan carriers will operate up to 20 round-trip flights per week to Shanghai (Pudong). (Currently, such flights are limited to 9 per week.)
- c. Flights may in the future be increased or reduced at appropriate times according to market demand.

3. Cargo charters, collaborative operation

- (1) The two sides agree to open regular cargo charter services, with each designating two or three air carriers to operate them.

(2) Flight points

- a. In Taiwan: Taoyuan and Kaohsiung (Siaogang).
- b. In the mainland: Shanghai (Pudong) and Guangzhou (Baiyun).

(3) Number of flights

The two sides will operate a total of 60 round-trip flights per month, with each side operating 30 round-trip flights:

- a. The two sides will each month each operate 15 round-trip flights to and from Shanghai (Pudong) and 15 round-trip flights to and from Guangzhou, for a total of 30 round-trip flights each.
- b. Every year in the peak cargo shipment season of October and

November, the two sides may each operate an additional 15 round-trip flights.

- (4) The two sides' air carriers will adopt a commercial cooperation mode of operation.

4. Regular flights can be expected soon

The two sides agree to do the utmost possible to make arrangements for regular passenger and cargo flights within six months of the implementation of this agreement.

5. Business charters, direct cross-strait flight

The two sides agree to the opening of non-commercial business charter flights.