

(3) Improvement of U.S. Army Command and Control Capability

U.S. Army headquarters in Japan at Camp Zama (in Kanagawa Prefecture) will be transformed to a joint task force-capable headquarters with high mobility and readiness by U.S. Fiscal Year 2008⁷. This transformation is made based on the global realignment of U.S. Army as part of the overall transformation of U.S. Forces. The transformed U.S. Army headquarters in Japan will continue to hold the same core mission to "defend Japan and maintain the peace and security of the Far East."

To enable rapid responses to various contingencies, the headquarters of the Ground SDF Central Readiness Force that controls mobile operation units and specialized units subsequently will arrive at Camp Zama by Japan Fiscal Year 2012 so that it may strengthen coordination with the transformed U.S. Army headquarters in Japan.

Along with the transformation of U.S. Army headquarters, a battle command training center and other support facilities will be constructed within U.S. Forces Sagami General Depot (SGD) (in Kanagawa Prefecture) using U.S. funding. In relation to this transformation, measures will be implemented for more efficient and effective use of Camp Zama and SGD, including partial returns of these facilities.

(4) Yokota Air Base and Airspace

1) Establishment of Bilateral and Joint Operations Coordination Center (BJOCC)

The enhancement of coordination between headquarters is quite important to ensure flexible and rapid responses of the SDF and U.S. Forces. The headquarters of USFJ located at Yokota Air Base (in Tokyo) plays an important position in the various mechanisms under the Guidelines. Recently, the SDF has adopted a new joint operations structure, while U.S. Forces has intensified their joint operations.

Therefore, along with the relocation of Air SDF Air Defense Command as mentioned below, the Bilateral and Joint Operations Coordination Center (BJOCC) will be established. Concerning air defense and BMD, the BJOCC will perform a function to facilitate bilateral actions for the defense of Japan by making close coordination between headquarters of the SDF and U.S. Forces and improving interoperability, and by enabling Joint Staff Office of the SDF and headquarters of USFJ to share the same information.

2) Relocation of Air SDF Air Defense Command

Air SDF Air Defense Command located in Fuchu has an air defense mission, and will have a function of headquarters for BMD in the future. In the case of air defense and BMD, response time is very short. Therefore, it is quite important for the SDF and U.S. Forces to immediately share the necessary information. Thus, Air SDF Air Defense Command and relevant units will relocate to Yokota Air Base in Japan Fiscal Year 2010 where the headquarters of U.S. 5th Air Force is located. This arrangement and the establishment of the BJOCC will enhance coordination between headquarters of the SDF and U.S. Forces, including the sharing of information concerning air defense and BMD.

3) Yokota Airspace

At Yokota Air Base, the U.S. Forces conducts radar approach control for the Yokota airspace spreading from the western part of the Tokyo Metropolitan area to Niigata in the North. Except some cases, civilian airplanes departing the Metropolitan area for western parts of Japan fly bypassing the Yokota airspace. After the planned expansion of Haneda airport in 2009, the number of takeoffs and landings by civilian airplanes is expected to grow further. Therefore, the following measures will be pursued to facilitate movement of civilian aircraft through the Yokota airspace.

- Establish a program in Japan Fiscal Year 2006 to inform commercial aviation entities of existing procedures to transit Yokota airspace.

- Develop procedures in Japan Fiscal Year 2006 for temporary transfers of air traffic control responsibility to Japanese authorities for portions of Yokota airspace, when not required by military purposes.
- Return portions of Yokota airspace to Japanese control by September 2008 (specific portions will be identified by October 2006.)
- Complete Study of the conditions required for the possible return of the entire Yokota airspace by FY2009. This will be conducted as part of a comprehensive study of options for related airspace reconfigurations and changes in air traffic control procedures that would satisfy future patterns of civilian and military demand for use of Japanese airspace. The study will take into account both the lessons learned from the Okinawa radar approach control (Kadena RAPCON) transfer experience and the lessons learned from experiences with collocation of U.S. Forces and Japanese controllers in Japan.

Then, on May 19, 2006, a meeting of the Civil Aeronautics Subcommittee established under the Japan-U.S. Joint Committee was held. At the meeting, the two countries agreed to establish the Special Technical Working Group to examine above-mentioned matters.

[COLUMN]

COMMENTARY

Yokota Airspace

Yokota Airspace is an airspace that stretches from Niigata Prefecture, western Tokyo and the Izu Peninsula to Nagano Prefecture at an altitude between 12,000 feet (about 3,700 meters) and 23,000 feet (about 7,000 meters) in the space. At present, the U.S. military is in charge of air-traffic control in the airspace. In area covered by the airspace Yokota Air Base of the U.S. military, Iruma Air Base of the ASDF, Atsugi Base of the MSDF and Atsugi Air Base of the U.S. military are located. The airspace is being used for the purpose of approach control (instructing aircraft on order, routes and methods in departure and approach) for airplanes landing or departing from these bases.

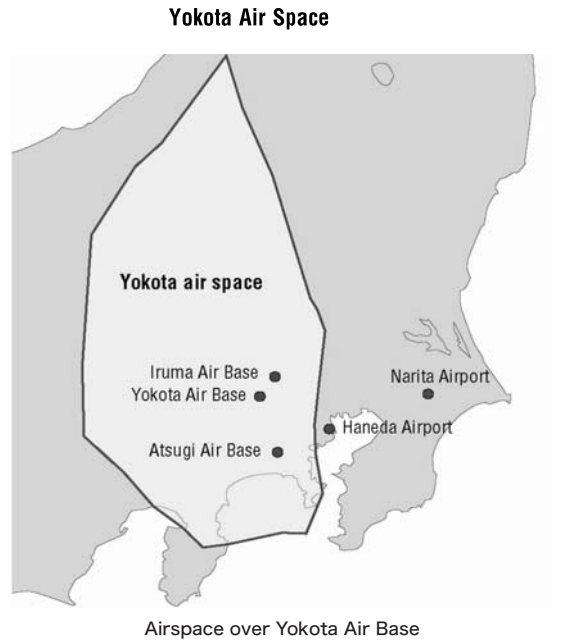
Civil airplanes flying from Haneda Airport or Narita Airport to western Japan take detours around Yokota Airspace, excluding planes which have coordinated with the U.S. forces to pass through the airspace. With a fourth runway set to start operating in 2009 at Haneda Airport, the number of annual departures and landings at the airport is projected to increase significantly, from about 285,000 at present to 407,000.

The United States has so far returned parts of Yokota Airspace that it controls to Japan on seven occasions as a result of negotiations between the governments of the two countries, which were held under a framework devised in line with the Japan-U.S. Joint Committee. But the U.S. forces has rejected Japan's demand for the United States to return all radar approach control of Yokota Airspace to Japan, citing operational reasons.

Japan has endeavored to realize the return of the entire airspace while taking security needs into consideration. During their latest consultations concerning the realignment of U.S. forces in Japan, Japan and the United States studied how to realize the Japanese demand without affecting the operations of the U.S. military and the Japanese SDF, and also examined how civil airplanes can fly safely and smoothly in the airspace after the number of flights increases following the expansion of Haneda Airport. As a result, the two countries, in the finalization of the realignment initiatives in this May, agreed to designate by October this year specific airspace whose control is to be returned to Japan and to take measures by September 2008 to implement the return. The two countries also agreed to study necessary conditions for the possible return of the entire Yokota Airspace to Japan as part of a comprehensive study of options for

related airspace reconfiguration and changes in air-traffic control procedures. They agreed to reach a conclusion on the matter within FY 2009.

Based on these agreements, the Civil Aeronautics Subcommittee, created under the Japan-U.S. Joint Committee, held its 65th meeting on May 19 this year and agreed to set up within the Subcommittee a special technical working group in charge of studying the control of Yokota and Iwakuni Airspace. The Subcommittee also agreed to recommend to the Japan-U.S. Joint Committee that responsibility for air-traffic control for parts of Yokota Airspace be temporarily transferred to Japanese authorities when the U.S. military does not need to undertake air-traffic control for military purposes.



4) Civilian-Military Dual-Use of Yokota Air Base

At a Japan-U.S. Summit Meeting held in May 2003, the two countries agreed that the feasibility of the civilian-military dual-use of Yokota Air Base be jointly studied by the Governments of the two countries. Then, a Liaison Conference was formed as a panel attended by representatives of ministries and agencies (The Cabinet Secretariat, the Ministry of Foreign Affairs, the Ministry of Land, Infrastructure and Transport, the Defense Agency, and the Defense Facilities Administration Agency) and the Tokyo Metropolitan Government. The Liaison Conference had meetings several times.

The Governments of Japan and the United States will conduct a study of the specific conditions and modalities for possible civilian-military dual-use of Yokota Air Base, to be completed within 12 months from commencement. The study will be conducted on the shared understanding that dual-use must not compromise military operations and safety or the military operational capabilities of Yokota Air Base. Based upon the outcome of this study, the two Governments will consult and then make appropriate decisions on civilian-military dual-use.

(5) Relocation of Carrier Air Wing from Atsugi Air Base to Iwakuni Air Base

[Significance of Deployment of U.S. Aircraft Carriers]

The presence of U.S. Pacific Fleet plays an important role in maintaining the peace and stability of the Asia-Pacific region, including the safety of maritime traffic the region. U.S. aircraft carriers play a core role in the Fleet. At present, U.S. aircraft carrier, Kitty Hawk, has been deployed in this region and has been visiting the U.S. Yokosuka Naval Base (in Kanagawa Prefecture). The homeport for the U.S. aircraft carrier must be provided in Japan to maintain the forward-deployed capabilities of the carrier and its aircraft for a long time⁸.

[Base for Carrier-Based Aircraft]

When the U.S. aircraft carrier is deployed at Yokosuka Naval Base, Atsugi Air Base (in Kanagawa

Prefecture) is now used as a base for carrier-based aircraft. Since Atsugi Air Base is located in urban center, noise of landings and takeoffs of carrier jets in particular has caused problems for a long time.

These problems should be resolved as soon as possible in order to stably maintain Japan-U.S. Security Arrangements and the operations of carriers under the arrangements into the future.

After the completion of the runway relocation project at Iwakuni Air Base, the safe operations of aircraft will be possible with less impact on the living environment of local communities.

In consideration of these matters, Carrier Air Wing Five (CVW-5) squadrons will be relocated from Atsugi Air Base to MCAS Iwakuni, consisting of F/A-18, EA-6B, E-2C, and C-2 aircraft. This relocation will be completed by 2014, subsequent to the following: i) completion of necessary facilities, and ii) adjustment of training airspace and the Iwakuni RAPCON airspace.

Following the relocation, the following related measures will be taken to mitigate impacts of increasing operations by the U.S. Forces.

- MSDF's E/O/UP-3 and U-36A aircraft (2 squadrons (17 aircraft in total)) will be relocated from Iwakuni Air Base to Atsugi Air Base.
- KC-130 aircraft (1 squadron (12 aircraft in total)) stationed at Futenma Air Station will be based at Iwakuni Air Base with its headquarters, maintenance support facilities, and family support facilities. KC-130 aircraft will regularly deploy on a rotational basis for training and operations to MSDF Kanoya Base and Guam. To support the deployment of KC-130 aircraft, necessary facilities will be developed at Kanoya Base.
- U.S. Marine Corps CH-53D helicopters (1 squadron (8 aircraft in total)) will be relocated from Iwakuni Air Base to Guam when the III MEF personnel relocate from Okinawa to Guam.
- Training airspace and Iwakuni RAPCON airspace will be adjusted to fulfill the training and operations requirements of U.S. Forces, the SDF, and commercial aircraft.
- As for field-carrier landing practice, a bilateral framework to conduct a study on a permanent field-carrier landing practice facility will be established with the goal of selecting a permanent site by July 2009 or the earliest possible date thereafter. In addition, the SCC Document confirmed that U.S. will continue to conduct field-carrier landing practice at Iwo Jima in accordance with existing temporary arrangements until a permanent field-carrier landing practice facility was identified.

Portions of the future civilian air facilities (terminal, apron, etc.) will be accommodated at Iwakuni Air Base.

(6) Ballistic Missile Defense (BMD)

As confirmed in the study on the roles, missions and capabilities, Japan and the United States will continue close coordination on BMD as the two countries improve their respective BMD capabilities.

As for a new U.S. Forward Based X-band radar-Transportable (FBX-T) with the sophisticated capability to search and track ballistic missiles, the optimum site for deployment of the radar system was designated as ASDF Shariki Subbase (in Aomori Prefecture) as a result of a study⁹. The data obtained by FBX-T will be shared by the two countries. Thereby, the capabilities to intercept missiles directed at Japan and capabilities for Japan's civil defense and consequence management. The radar system will become operational by summer 2006.

Also, to ensure defense from missile attacks directed at against Japan, U.S. Patriot PAC-3 capabilities will be deployed to Japan within existing U.S. facilities and areas, becoming operational at the earliest possible time.

[COLUMN]**Q & A****Why does US Forces' transportable BMD radar system need be deployed in Japan?**

US Forces' Forward Based X-band radar-Transportable (FBX-T) has the high capability to pinpoint incoming ballistic missiles and detect them precisely by monitoring airspace where such missiles are likely to fly.

This transportable radar developed by the United States is designed to detect and track ballistic missiles flying to forward-deployed forces, allies and friends of the U.S., while fixed radar systems are designed to protect the U.S. mainland against ballistic missile attacks. The FBX-T is transportable and relatively small. In addition, unlike other radar systems which rotate to radiate the radio wave in a 360-degree, the FBX-T radiates the radio wave only to a limited direction in the front of the radar. The radio wave being radiated from this radar system is not harmful to human body and the natural environment as being used for detecting speeding vehicles in people's daily life.

Japan has introduced the Ballistic Missile Defense (BMD) system as the necessary and non-replaceable means of protecting lives and property of Japanese citizens against ballistic missile attacks. BMD-capable Aegis-equipped destroyers and the Patriot Advanced Capability-3 (PAC-3) air defense system are being deployed. In addition to that, it's important to monitor flying ballistic missiles, identify launch and impact points, provide the information to government organizations and Japanese citizens and utilize the information for protection of citizens and measures against damages caused by ballistic missile attacks.

However, radar network necessary for monitoring the flying status and taking advantage of the capability of an interception system will not be complete until 2012. Meanwhile, the U.S. FBX-T can be operational this year and deployed to Japan. Thus, the radar monitors ballistic missiles and data necessary for missile defense is to be provided to Japan. This is very beneficial to complement BMD capability of Japan and protect lives and properties of the citizens. Even after Japan's radar network is improved, monitoring by different kinds of radars will complement Japan's radar network strongly.



U.S. Forward Based X-band radar-Transportable (FBX-T)

(7) Training Relocation

Japan and the United States will develop annual bilateral training plans beginning in JFY 2007 (as necessary, a supplemental plan for JFY 2006 will be developed.) Initially, aircraft from three U.S. facilities? Kadena, Misawa (in Aomori Prefecture) and Iwakuni? will participate in relocated training conducted from the following SDF facilities: Chitose (in Hokkaido Prefecture), Misawa, Hyakuri (in Ibaraki Prefecture), Komatsu (in Ishikawa Prefecture), Tsuiki, and Nyutabaru.

The Government of Japan will improve infrastructure for training relocation at SDF facilities as necessary after conducting site surveys.

(8) Future Efforts

At the "2+2" meeting held in May 2006, the ministers of the two countries approved the implementation

details for realignment initiatives. This is an extremely important step forward in making Japan-U.S. Security Arrangements more effective through the maintenance of deterrence and capabilities and reduction of burdens on local communities concerned¹⁰.

As a result, the bilateral cooperation based on the alliance relationship will enter a new phase. This will contribute to the enhancement of capabilities of the alliance relationship in this region. The roadmap for realignment of U.S. Forces will take approximately another eight years before completion. In addition, Japan must make significant efforts in funding, including financial contribution to fund the relocation of U.S. Marine Corps in Okinawa to Guam.

However, the realignment of U.S. Forces is the result of consultations with the United States on our own initiative; therefore, we strongly believe the completion of the realignment initiatives is indispensable for making Japan-U.S. alliance more effective. Japan will implement these realignment initiatives in a timely and thorough manner in collaboration with the United States.

For this purpose, on May 30, 2006, the Cabinet decision on the "Government's Efforts in Connection with the Realignment of U.S. Forces Structure in Japan, etc." was made. Following ideas and policies are shown in the decision.

- Securing security system in order to maintain the peace and security of Japan is one of the most important policies of the Government of Japan. The Government must therefore implement this policy in a responsible manner.
- The Cabinet decision showed the following stances with respect to the implementation of specific measures related to the realignment of U.S. Forces Structure in Japan, etc. (Realignment-Related Measures.)
 - For some local governments which are to bear new burdens, local development measures and others will be taken based on the requests of the local communities which bear such burdens in return for their significant contributions to the maintenance of the peace and security of Japan.
 - All-out efforts will be continuously made to facilitate the use of returned sites and to ensure the stability of employment of USFJ employees locally employed, etc.
 - As the relocation of U.S. Marine Corps in Okinawa to Guam is extremely important for reducing burdens on Okinawa Prefecture where facilities and areas of U.S. Forces are concentrated, the Government of Japan will contribute to early relocation by financing necessary costs.
- Based on these stances, the Government of Japan will take actions needed for implementing Realignment-Related Measures properly and rapidly, including legislation and financing.
- The Government of Japan as a whole, while curtailing and streamlining expenditures further under severe fiscal condition, will develop defense capabilities efficiently with further rationalizing and streamlining defense-related expenditures and will review the Mid-Term Defense Program in due consideration of the specific contents of the realignment of U.S. Forces structure in Japan and other factors, immediately after estimated total expenses for Realignment-Related Measures are clarified.



Minister of State for Defense Nukaga delivering a speech at a symposium on the realignment of U.S. forces in Japan

[COLUMN]**Q & A****Why does a nuclear-powered aircraft carrier need to be deployed in Japan?**

Aircraft carriers and troop units led by aircraft carriers play an important role in the U.S. Navy as forward-deployed capability. Japan has accepted the deployment of a U.S. aircraft carrier in the country. The U.S. Navy announced in October 2005 that conventional aircraft carrier *Kitty Hawk*, which had been deployed in the region and has been visiting Yokosuka, Kanagawa Prefecture, will be removed from service and will be replaced by a nuclear-powered aircraft carrier. The Navy then said *USS Kitty Hawk*'s replacement will be *USS George Washington*, which was placed in commission in 1992.

As a nuclear-powered aircraft carrier is propelled by energy generated in a nuclear power reactor, it is superior in fighting and operational abilities as the vessel does not require frequent sea-based refueling and it can increase cruising speed quickly. Reflecting such superiority of a nuclear-powered carrier, all aircraft carriers the U.S. military has put into commission since the 1970s are nuclear-powered. The U.S. Government announced that *USS John F. Kennedy*, the only conventional-type aircraft carrier owned by the U.S. Navy except *USS Kitty Hawk*, will be decommissioned in 2007 because the carrier's parts in charge of important functions, have been damaged significantly.

In the U.S. military's 50-year history of running nuclear-powered warships, no aircraft carriers and submarines caused an accident in which human health or the natural environment has been damaged due to the leakage of radioactivity. A nuclear-powered vessel has paid a port call in Japan for a total of more than 1,200 times in the past but no single case of an extraordinary increase in radioactive levels deriving from the presence of a U.S. nuclear-powered warship has been reported in the surrounding environment, according to Japan-U.S. joint monitoring of the environment that has been conducted in the past 40 years. The United States has pledged to Japan that as *USS Kitty Hawk* has done, its replacement *USS George Washington* will continue to do its utmost to ensure its safety in Japan by taking a series of measures while it is stopping at a Japanese port - refraining from repairing a nuclear reactor and changing fuel, and suspending the operation of a nuclear reactor.

Japan considers that the continuous presence of a strong U.S. Navy surrounding Japan will contribute to maintaining the security of Japan, and peace and security in the Far East, even after the planned retirement of *USS Kitty Hawk*.



U.S. aircraft carrier *George Washington* cruising [U.S. Navy]

6. Various Measures Concerning USFJ Facilities and Areas

Ensuring the stable use of the USFJ facilities and areas is essential for the achievement of the objectives of the Japan-U.S. Security Treaty. The Government of Japan has long been implementing measures to harmonize the stable use of these facilities and areas with requirements of the surrounding local communities.

(1) USFJ Facilities and Areas Located in Mainland Japan

1) Iwakuni Runway Relocation Project

In response to requests of Iwakuni City and other local governments, the Government of Japan has decided to proceed with the project to relocate the runway approximately 1,000 meters to the east (offshore) in order to ensure the stable use of Iwakuni Air Base by solving problems related to operations, safety and noises. The project is targeted for completion in the end of JFY 2008.

2) Commercial Use of Iwakuni Air Station

As for Iwakuni Air Base, local governments, including Yamaguchi Prefecture and Iwakuni City, have jointly requested commercial use. In response to this request, the Governments of Japan and the United States have held consultations in the framework of the Japan-U.S. Joint Committee to identify such issues as the relationship between commercial use and U.S. Forces' operations and to examine the feasibility of commercial use. In October 2005, it was mutually agreed at a meeting of the Committee that commercial aircraft may make not exceeding four landings and takeoffs a day as long as operational needs of U.S. Forces are not hampered. Based on this agreement, the two countries will continue coordination on the details of operations of commercial aircraft.



Iwakuni Air Base (Runway relocation project is under construction)

3) Securing Field-Carrier Landing Practice Site for Carrier-Based Aircraft

The pilots of carrier-based aircraft are required to have highly sophisticated skills for landing their aircraft on a carrier in the ocean. Field-Carrier Landing Practice (FCLP) to maintain their skill levels while a carrier is at anchor has been conducted mainly at Atsugi Air Base. As the surrounding areas of the base have been increasingly urbanized, however, serious noise problems have been caused, and therefore, the Government of Japan has continued studies on the construction of an alternate FCLP Site on Miyake Jima.



A landing exercise by a carrier-borne jet fighter is under way at Iwo jima

However, no progress has been made, due to reasons that the local understanding has not been obtained yet, etc. In 1989, at the consultation between the Government of Japan the U.S. Government, the decision to use the airfield of Iwo Jima as an interim step until the construction of FCLP Site is built on Miyake jima was made.

In addition, as already mentioned in item 5 of this section, regarding the recent development for FCLP, it was confirmed between the Government of Japan and the U.S. Government that FCLP will continue to be conducted at Iwo Jima until a permanent FCLP facility is identified, etc.

4) Realignment of USFJ Facilities and Areas in Kanagawa Prefecture

Considering that local governments and other organizations have strongly requested the return of USFJ facilities and areas in Kanagawa Prefecture, the Government of Japan and the United States held consulta-

Facilities and Areas Related to the Realignment of USFJ Facilities and Areas in Kanagawa Prefecture

As of January 1, 2006

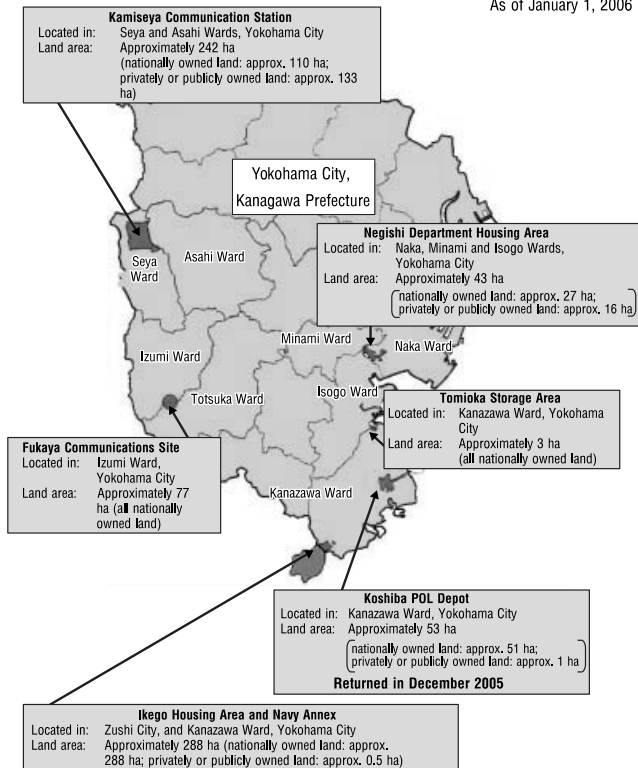


Fig. 4-2-12

tions on the ideal state of these facilities and areas. As a result of consultations, the two countries reached a common understanding regarding a basic stance on the release of the six facilities and areas in Yokohama City, including Kamiseya Communication Station, and the construction of approximately 700 units of U.S. family housing in the Yokohama City portion of Ikego Housing Area and Navy Annex. The Japan-U.S. Joint Committee agreed upon the result of the consultation in October 2004. (See Fig. 4-2-12)

Of these six facilities and areas, the United States originally agreed to return the portion (western part of approximately 10 ha) of Koshiha POL Depot. Through intensive consultations with the United States in due consideration of local governments' strong request for total return at an early date, the whole land area (approximately 53 ha) of the Depot was returned to Japan in December 2005. As for the remaining 5 facilities and areas, the Defense Agency will be attentive to the requirements of local governments

concerning the planned use of land concerned, and will ask the United States to return them as soon as possible.

The construction of U.S. family housing will: 1) pave the way for the extensive return of six facilities and areas (approximately 419 ha in total) in Kanagawa Prefecture; and 2) will solve the current housing shortage problem of U.S. Navy in Japan. In addition, it is essential for achieving the objectives of the Japan-U.S. Security Treaty. Therefore, the Defense Agency is making utmost efforts to realize above-mentioned housing construction through coordination with the United States and local governments concerned.

(2) USFJ Facilities and Areas in Okinawa

As mentioned above, USFJ facilities and areas are concentrated in Okinawa, and this has caused considerable impact on the lives of the residents in the prefecture. Therefore, issues related to Okinawa, including the realignment, consolidation and reduction of USFJ facilities and areas, represent one of the most important tasks facing the Cabinet and the Government as a whole. The Defense Agency, for its own part, has so far been strongly committed to implementing a number of measures to resolve these issues, while at the same time harmonizing the achievement of objectives of the Japan-U.S. Security Treaty with the demands of local communities.

Of these measures, the Defense Agency believes that the steady implementation of the proposals set out in the Final Report of the Special Action Committee on Okinawa (SACO), which was put together with great effort by the Government of Japan and the U.S., would be the most reliable way to reduce the burden on the

people of Okinawa Prefecture, and efforts is ongoing to bring about their certain and prompt implementation. The roadmap for realignment implementation developed in May 2006 indicates "while emphasizing the importance of steady implementation of the recommendations of the Special Action Committee on Okinawa (SACO) Final Report, the SACO relocation and return initiatives may need to be reevaluated."

1) Measures to Cope with Realignment, Consolidation, and Reduction before the Establishment of SACO

When Okinawa was reverted to Japan in 1972, the Government of Japan provided 83 facilities and areas covering approximately 278 km² for exclusive use by the USFJ under the Japan-U.S. Security Treaty. Their concentration in Okinawa has led to strong calls for their realignment and reduction on the grounds that regional promotion and development projects are restricted, and the lives of residents are seriously affected.

In view of these circumstances, both countries have continued their efforts to realign, consolidate, and reduce USFJ facilities and areas, focusing on issues that are strongly voiced by local communities. In light of the items identified in the joint statement issued by then Prime Minister Eisaku Sato of Japan and then President Richard Nixon of the United States in 1972, a plan for the realignment and consolidation of USFJ facilities and areas in Okinawa was endorsed by the Security Consultative Committee (SCC) held in 1973, 1974, and 1976. It was agreed at the meeting of the Japan-U.S. Joint Committee of 1990 that both sides would proceed with the necessary adjustments and procedures for the release of land, known as "The 23 Issues." Meanwhile, under the agreement reached at the Japan-U.S. Summit of 1995 regarding the so-called Three Okinawa Issues (the release of Naha Port, the return of Yomitan Auxiliary Airfield, and the relocation of artillery live-fire training over Highway 104) strongly demanded by the residents of the prefecture, it was agreed that efforts would be made to resolve the issues.

As a result of above step, as of January this year, the number of USFJ facilities and areas (for exclusive use) stood at 36, covering approximately 233 km², in contrast to approximately 83 (approximately 278 km²) at the time of the reversion of Okinawa. However, in terms of space occupied, approximately 75% of USFJ facilities and areas (for exclusive use) remain concentrated in Okinawa, accounting for approximately 10% of the land in Okinawa Prefecture and approximately 18% of the main island of Okinawa. (See Fig. 4-2-13)

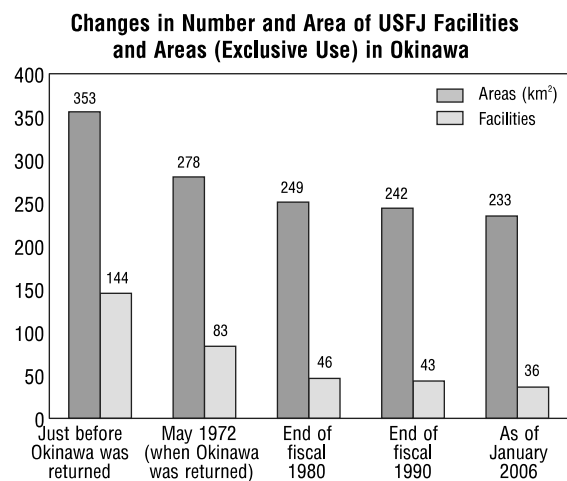


Fig. 4-2-13

2) Circumstances Surrounding the SACO Establishment

Public interest in issues concerning Okinawa heightened across the country in response to an unfortunate incident that occurred in 1995 as well as the refusal of the then governor of Okinawa to sign land lease renewal documents in accordance with the Special Land Lease Law.

Acting in the belief that the burden on the people of Okinawa should be reduced as much as possible and shared by the whole nation, the Government has, for the sake of the future development of Okinawa, put even greater efforts into bringing about steady progress in the realignment, consolidation, and reduction of USFJ facilities and areas, and is committed to do its utmost to tackle development strategies for the region. In order to hold consultations on issues related to USFJ facilities and areas in Okinawa, the Government

established the Okinawa Action Council between the central government and Okinawa Prefecture as well as SACO between Japan and the United States in 1995.

Since then, intensive discussions were made for about one year, and the SACO Final Report was compiled in 1996.

3) Overview of the SACO Final Report and Progress

The SACO Final Report stipulates the return of land (the total return of six facilities, including Futenma Air Station, and the partial return of five others, such as the Northern Training Area), the adjustment of training and operational procedures (the dispersal and implementation of Artillery Live-Fire Training over Highway 104 in maneuver areas on mainland Japan, etc.), the implementation of noise-reduction initiatives, and the improvement in operational procedures under the Status of Forces Agreement^{*11}. The land to be returned, based on the SACO Final Report represents approximately 21% (about 50 km²) of USFJ facilities and areas in Okinawa, exceeding the roughly 43 km² of land returned during the period between the reversion of Okinawa and the implementation of the SACO Final Report.

As a result of the Government of Japan's attempts to materialize the SACO Final Report, regarding ten facilities and areas among the land return excerpt for Futenma Air Station, the release of the Aha Training Area, portion of the Sobe Communication Site (approximately 236m²) and the northern part of Camp Kuwae (approximately 38 ha) have been realized. In addition, regarding eight projects, the understanding of related local municipalities has been obtained and the relocation work required for the land return has partially been conducted. Among the projects, the Senaha Communication Station, remained portion of the Sobe Communication site and the Yomitan Auxiliary Airfield, the return has been roughly expected, and nine projects have made steady progress. As for projects other than the return of land, almost all have been implemented.

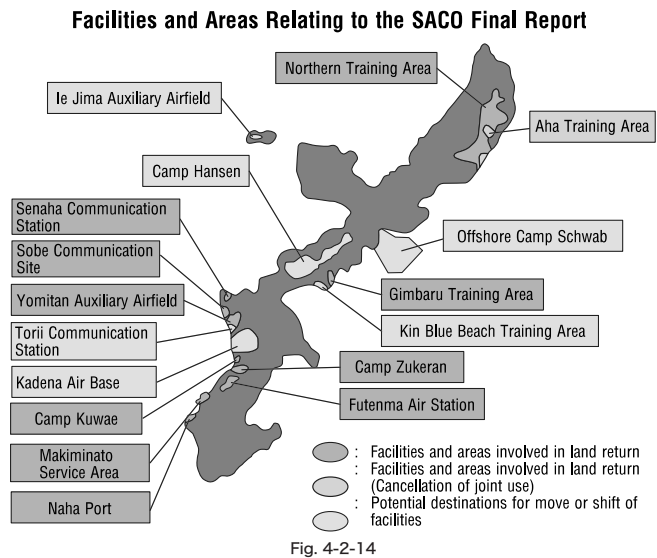
The Defense Agency will continue to make its maximum efforts toward the realization of the SACO Final Report with the understanding and support of local communities.

a. Relocation and Return of Futenma Air Station

The relocation and return of Futenma Air Station have been regarded as one of the most important themes at the Japan-U.S. consultation on force posture realignment. Both countries conducted studies on the measures to enable the relocation and return of Futenma Air Station as soon as possible.

b. Relocation and Return of Naha Military Port

Concerning the relocation and return of Naha Military Port, the mayor of Urasoe City announced his intention to accept the relocation in November 2001. In response to this announcement, the Government and



local authorities have been engaging in consultations through the Consultative Body for the Relocation of Naha Military Port and other channels to promote the smooth relocation and return of the port.

Based on the Finalization of Realignment Initiatives made in May 2006, the Defense Agency will continue its efforts in realizing the relocation and return of Naha Military Port by securing consistency between the construction of a replacement facility and commercial port development plans and having consultation with relevant authorities.

c. Relocation of Helicopter Landing Zones in the Northern Training Area

With regard to the relocation of helicopter landing zones (the "LZs ") in the Northern Training Area, the understanding of Kunigamison and Higashison, the local municipalities concerned, was secured, and in 1999, the Japan-U.S. Joint Committee arrived at an agreement on the return of major portion of the Northern Training Area following the relocation of seven LZs and others.

The Defense Agency, from FY 1998 to FY 1999, carried out environmental surveys of the proposed relocation sites of the LZs and their vicinities. As a result, many endangered wild species were confirmed in the surveyed area. Given this, the Defense Agency conducted another environmental survey to identify other sites with less impact on the natural environment from 2002 to March 2004. Based on the survey result etc., Japan and the United States conducted consultations from the viewpoint of the environment and operation. As a result, in February this year, the Japan-U.S. Joint Committee agreed to change the basic agreement made in 1999 (the number of LZs to be relocated will be reduced from seven to six; and the scale of the site preparation will be downsized.) It was decided that environmental impact assessment would be properly made in accordance with the Okinawa Prefectural Ordinance for Environment Impact Assessment before relocating the LZs, and that maximum efforts would be made to avoid the occurrence of significant impacts on the living environment and the natural environment.

d. Relocation of Artillery Live-Fire Training over Highway 104 to Mainland Japan

The dispersal and implementation of artillery live-fire training over Highway 104 in Okinawa has been conducted since JFY 1997 at the five training areas on mainland Japan with the understanding and cooperation of the related local governments, etc. The Defense Agency will continue its efforts to enable smooth implementation of artillery live-fire training. (See Fig. 4-2-14 and 4-2-15)

4) Efforts for the Use of Returned Land Used for USFJ Facilities and Areas

On release of the land used for USFJ facilities and areas, the Defense Agency has taken measures to restore vacated land to its original state by removing buildings and structures, and to provide benefits to the owner of the land in accordance with the Special Measures Law for USFJ Land Release. Under the Special Measures Law for Okinawa Development (enforced in 2002,) benefits are provided to the owner of large-scale vacated land or designated vacated land.

Pursuant to the "Policy toward tasks and countermeasures per each activity field related to promotion and facilitation of utilizing returned land used for Futenma Air Station site," formulated in December 2001, related municipalities have been making efforts in establishing returned land use plans. In February 2006, Okinawa Prefecture and Ginowan City have established a basic policy for the use of returned land used for Futenma Air Station.

The Defense Agency will continue efforts to promote and facilitate the utilization of vacated land in coordination and cooperation with related ministries and prefectural and municipal governments.

State of Progress of the SACO Final Report

1. Return of Land

Name of Facility	State of Progress
Futenma Air Station	<ul style="list-style-type: none"> December 1999: Cabinet decision concerning Government policy on the relocation of Futenma Air Station August 2000: The CFR established July 2002: Basic Plan of the Futenma Replacement Facility (draft) adopted at the ninth meeting of the CFR, and also adopted by the Government on the same day January 2003: Consultative Body on Construction of Futenma Replacement Facility established April 2003: Technical site survey started April 2004: Environmental impact assessment process started March 2006: Rescission of contracts relevant to the Basic Plan May 2006: The Government Policy decided in 1999 abolished by new Cabinet Decision
Northern Training Area	<ul style="list-style-type: none"> April 1999: Japan-U.S. Joint Committee agreement on land return following the relocation of seven helicopter landing zones and others December 1998 – March 2000, environmental survey (past year survey) November 2002 – March 2004, environmental survey (continuous environmental survey) February 2006: The Japan-U.S. Joint Committee agreed on the change of the agreement in April 1999 (Helicopter Landing Zones (HLZ): from 7 HLZs to 6 HLZs, reduction of the scale of the site preparation) February 2006: the environmental impact assessment document was released At present, a summary, etc. of residents' opinions on the environmental impact assessment document is being prepared
Aha Training Area	<ul style="list-style-type: none"> Returned in December 1998 (Cancellation of joint use)
Gimbaru Training Area	<ul style="list-style-type: none"> Still under Coordination
Sobe Communication Site	<ul style="list-style-type: none"> April 1999: The Japan-U.S. Joint Committee agreement on land return after the relocation of communication system including communication facilities such as antennas, etc. to Camp Hansen March 2006: the Japan-U.S. Joint Committee agreed on the release of land applied by the Special Measures Law May 2006: Replacement communication facility furnished (excluding some parts of communication systems) June 2006: Partial land (approximately 236 m²) returned At present, construction for the remaining portion of the communication system is being implemented
Yomitan Auxiliary Airfield	<ul style="list-style-type: none"> October 1999: The Japan-U.S. Joint Committee agreement on the relocation of parachute drop training October 2002: The Japan-U.S. Joint Committee agreement on land return after the relocation of the Sobe Communications Site May 2006: The Japan-U.S. Joint Committee agreement on partial land return (approximately 140 ha)
Camp Kuwae	<ul style="list-style-type: none"> July 2002: Youth center furnished March 2003: Part of northern side returned (approximately 38 ha) January 2005: The Japan-U.S. Joint Committee agreed on the relocation and construction of the Naval Hospital, etc. At present, design and construction of the Nava Hospital is being implemented
Senaha Communication Station	<ul style="list-style-type: none"> March 2002: The Japan-U.S. Joint Committee agreement on the return of most lands after the relocation of communication system including antennas, etc. at Torii Communication Station April 2006: The Japan-U.S. Joint Committee agreed on the furnishing of the replacement facilities
Makimato Service Area	<ul style="list-style-type: none"> Regarding the release, etc. associated with the widening of Route 58, arrangement with related organizations continues to be made
Naha Port Facility	<ul style="list-style-type: none"> November 2001: Three Councils, such as the Council on the Relocation of Naha Port, established January 2003: Fourth meeting of the Consultative Body for the Relocation of Naha Port confirmed the site and configuration of the replacement facility July 2003: Revised plan, including the site and configuration of the replacement facility, agreed upon; the original plan was agreed upon by the Japan-U.S. Joint Committee in 1995 At present, consultation is being made at the Consultative Body for the Relocation of Naha Military Port, etc.
Housing Consolidation	<p>(Phase I: Golf Range Area)</p> <ul style="list-style-type: none"> April 1999: The Japan-U.S. Joint Committee agreement on the relocation and construction of housing and other facilities July 2002: two highrises were furnished <p>(Phase II: Sada Area)</p> <ul style="list-style-type: none"> February 2002: The Japan-U.S. Joint Committee agreement on the relocation and construction of housing and other facilities September 2005: two highrises and 38 townhouses were furnished <p>(Phase III: East Chatan Area)</p> <ul style="list-style-type: none"> March 2004: The Japan-U.S. Joint Committee agreed on the relocation and construction of the housing units, etc. At present, construction is being conducted <p>(Phase IV: Futenma and Upper Plaza Area)</p> <ul style="list-style-type: none"> March 2005: The Japan-U.S. Joint Committee agreed on the relocation and construction of the housing units, etc. At present, construction is being conducted

2. Adjustment of Training and Operational Procedures

Item	State of Progress
Relocation of Artillery Live-fire Training over Highway 104 to the Japanese mainland	<ul style="list-style-type: none"> Relocated to five maneuver areas on the mainland Japan in FY 1997
Parachute Drop Training	<ul style="list-style-type: none"> Relocation training has been conducted at Ie Jima Auxiliary Airfield since July 2000

3. Implementation of Noise Reduction Initiatives

Item	State of Progress
Transfer of KC-130 Aircraft to Iwakuni Air Base	<ul style="list-style-type: none"> In February 1997, Yuucho Town, Iwakuni City in Yamaguchi Prefecture, approved to accept KC-130 Aircraft to be transferred
Relocation of the U.S. Navy Ramp, Kadena Air Base	<ul style="list-style-type: none"> June 2005, The Japan-U.S. Joint Committee agreed on the relocation and construction of the aircraft rinse facility At present, basic study, etc. is being conducted concerning the construction of the facilities at the relocation sites of the Navy Ramp and the air
Installation of Noise Reduction Baffles at Kadena Air Base	<ul style="list-style-type: none"> Provided in July 2000

Fig. 4-2-15