



2019 JIITTI USA Civil Aviation Symposium  
The Future of Civil Aviation in the Asia Pacific Region – Session 2  
October 8, 2019

**Mamiko Kim:** We are ready to begin so we ask again to please make your way to your seats. Thank you.

Ladies and gentlemen, we would now like to begin the second portion of our symposium - the panel discussion. It will begin with short presentations from each of our panelists so that the audience can get a better understanding of their backgrounds and company initiatives of today's topic. We'll follow with further discussion and we will conclude with some closing remarks from our moderator. We feel incredibly honored to have the breadth of knowledge that we have on our panel today, as well as the diverse perspectives that each of our panelists bring to this discussion.

Now please allow me to introduce today's participants of the panel discussion. To begin, we are grateful to have moderation from Mr. Hiroataka Yamauchi, president for research at JIITTI. To the right and beginning the line of panelists is Mr. Robert Wirick, managing director of Regulatory and International Affairs at American Airlines. Next to him is Ms. Heather Wingate, senior vice president for Government Affairs of Delta Air Lines. Then we have Mr. Stephen Morrissey, vice president of Regulatory and Policy at United Airlines.

Following is Mr. Shuichi Fujimura, executive vice president of International Affairs and Alliances at All Nippon Airways. Next to him is Mr. Tadao Nishio, managing executive officer of Corporate Strategy and Planning at Japan Airlines. And finally, we have Mr. Akihiko Tamura whom we've already had the pleasure of hearing from and will not be giving a presentation at this time. I would now like to turn the time over to Mr. Yamauchi.

### **Panel Discussion**

**Hiroataka Yamauchi:** Thank you. I'd like to start the panel discussion. I'm Hiroataka Yamauchi. I'm the president for Research in this institute. And those who I have been teaching, the transportation economists in the university, Hitotsubashi University, so I'm just an economist, right?

First of all, I'd like to explain our discussion process. She mentioned that, first of all, the five-airline people make five minutes presentation of these issues. Second session I pose some question for these panelists, and these panelists will answer these questions. The three keynote speakers stressed the importance and growth of Japan, U.S. and the Asian-Pacific aviation market. I understand that the purpose of this panel discussion is to deepen or to discuss much deeper the factor of this growth of our markets. Okay, let's start with our presentation. The order is first the American Airlines. Alphabetically. So, the first one there, American Airline please.

**Robert Wirick:** Okay. Can everybody hear me? Yes. Well, good afternoon everyone. On behalf of American Airlines, it's truly an honor to be here today to share the stage and the room with many esteemed guests who contributed in the development of a strong foundation that allows the aviation market to thrive. This is really a great time to take stock of where we're at and where we're going. We sincerely thank our guests, including Chairman Shukuri and the staff at JITTI for scheduling this event this afternoon.

Over the past nearly ten years there have been many exciting developments in the U.S.-Japan market, including an open skies arrangement and the opening of Haneda Airport to long-haul international service. It's been well-described before by several past speakers so I won't go into it, but everybody knows this year there was an agreement that provided 12 additional weekly round-trip frequencies between the United States and Haneda. We want to thank both the Japanese and U.S.



governments for their tireless efforts to reach this landmark agreement that will undoubtedly grow the market kind of consistent with the prime minister's goals and objectives.

Give me a moment to just allow to see how American Airlines service the market. It's a brief overview in how we participate individually and then in close cooperation with our valued partner - Japan Airlines.

Currently American Airlines operates over 30 frequencies weekly to Tokyo from Chicago, Dallas-Fort Worth, and Los Angeles. Our very first service in the United States to Asia was to Narita, Tokyo in 1987 from Dallas-Fort Worth. So, we're fairly late bloomers in the market, but we're doing the best that we can to work with our partner JAL to catch up to the market.

So, given the recent completion of the route case allocated, the new Haneda capacity, American will introduce Haneda service at Dallas-Fort Worth and maintain its other daily Narita service. We'll operate a double daily from Los Angeles to Haneda. This will be the second consecutive year that American will service nonstop Las Vegas to Narita in support of the Consumer Electronics Show this coming January. In the region, American is proud of how much we've grown since 1987. We operate now over 80 weekly frequencies in the region to seven key destinations.

If you look at the spider map, the network in cooperation with JAL, our trunk routes get us to over 60 destinations in Asia and nearly 300 cities in the United States. It's pointed out by previous speakers this is an exciting time. With the new capacity, it will allow us to grow the pie even bigger than it is today. When you add in an expanded market view to include all of the services from United States to Asia, there is even more destinations that we serve jointly.

So, this type of immunized cooperation which is very important is it allows us to jointly plan our network offerings, cooperate on fare products including joint sales agreements to our corporate customers. And it gives incentives for us to push out consumer benefits including culturally inclusive



dining options. All told, this improves the quality of service making it an affordable traffic. It grows trade, tourism, and overall market.

Finally, to underscore this point, American and Japan Airlines have received immunity. There have been a combined 12 new nonstop U.S. services to Japan and other destinations in the region. Then, since immunity has been granted, the overall partnership has grown by 86 percent in an ASM basis and increased frequencies by nearly 100 percent. In 2018 the two carriers recorded more than 3.4 million employments, which is our highest number combined ever. Furthermore, this number represents more than the 6 percent year-over-year growth of employments. About 20 percent of that number is attributed to tourism alone.

In closing, this is precisely the vision that the creators and implementers of open skies policy coupled with the immunized relationship sought to achieve. And happily, I believe that there is more to come. So, American looks forward to growing our partnership in cooperation with JAL to compete in this very important market. We're also committed to supporting the upcoming 2020 Summer Olympic games in Tokyo and help grow the market, as per Prime Minister Abe's strategy, increase tourism to 60 million by the year 2030. Thank you.

**Hirota Yamauchi:** Thank you so much. The second one is Ms. Wingate from Delta Air Lines. Please go ahead.

**Heather Wingate:** Thank you very much on behalf of Delta to JITTI for including us in this symposium. I'd like to share a few slides with you regarding Delta in Japan and the Asia Pacific region. First, this is just an evolution of Delta's Asia Pacific network. Our first goal currently is to offer comprehensive access from the U.S. to the largest business and leisure destinations in Asia point-to-point. Secondly,



we're committed to leveraging the relationships we have with our partner airlines in Asia to ensure that our passengers are able to reach destinations throughout the Pacific region.

As many of you know, Delta does not have a partnership with a Japanese airline. But as you can see from the first part of this graph, Japan remains and has been a core market for Delta. With the opening of Haneda, which we greatly appreciate coming in 2020, Delta is looking forward to growing travel from the U.S. to Japan and helping Prime Minister Abe reach his 2020 tourism goal at 40 million visitors to Japan.

Speaking of this goal, we do appreciate and understand the importance of the tourism goals to Japan. In 2018 travel and tourism contributed over \$365 billion to Japan's GDP and supported 4.6 million jobs. That's nearly 7 percent of all jobs in Japan. And in 2018 as well 1.5 million tourists from the U.S. visited Japan. We'd like to be instrumental in increasing this number. Japan continues to be the largest portion of flying to Asia for Delta representing 40 percent of Delta's available seat miles. We've also grown our capacity to Japan year-over-year by 3 percent. And Delta is also the only carrier to serve the Nagoya market directly. We also serve Osaka as well.

This map, it really represents the future. As you'll see with the yellow line, these are the Haneda 2020 routes that we will look forward to launching. The red represents our current routes. And I want to first say here how much we greatly appreciate the hard work of the negotiators both in the U.S. and Japan to get this done. It is no small measure and they deserve high praise. With Haneda opening, the number of U.S. passengers staying in Japan we expect to increase. We actually have some experience specifically on this point.

In 2016 Delta shifted our Minneapolis service from Tokyo Narita to Tokyo Haneda. We saw a market increase in local passengers, those that disembarked there in Tokyo, from 33 percent to 80 percent. Similarly, when we shifted our Los Angeles route from Tokyo Narita to Tokyo Haneda, we saw an increase of 20 percent, from 70 percent to 90 percent of local passengers. We do expect similar



results as we launch our new routes particularly with regard to Atlanta, Detroit, Seattle, and Portland. This is all obviously excellent news not only for the U.S. but also for Japan because U.S. tourists have a habit of spending more and staying longer.

This following slide really is meant to represent the benefits to Japanese travelers into the U.S. It shows that travelers from Japan will be able to reach cities all across the U.S. by connecting via the seven cities that we will serve for Haneda. We do hope to attract the Japanese traveler through our industry leading products in Japan. We have a history of launching new products and services on the Japanese route.

Specifically, a good example here, with our flagship Airbus 350-900 product which first was introduced into the Japanese market in October of 2017. Also, we launched our first refurbished 777 which I actually flew on last week on our Minneapolis-Haneda route. Similarly, we have upgraded our main cabin services and we think this will, hopefully, be appealing to the Japanese market. So, thank you for this opportunity to provide a review.

**Hirotaoka Yamauchi:** Thank you so much. The next one is Mr. Morrissey from United Airlines. Please.

Stephen Morrissey: I really don't want Delta's thank you slide up.

**Hirotaoka Yamauchi:** Is there any trouble?

**Stephen Morrissey:** No. There we go.

**Hirotaoka Yamauchi:** Okay.



**Stephen Morrissey:** That's much better. One of the many challenges on speaking at an event like this, particularly following such a distinguished list of keynote speakers and knowledgeable panelists, is to say the same stuff without sounding repetitive. So, I'll try not to do that. I'll try to sound original in my comments here. But one of the things I did want to repeat right from the outset is to thank the U.S. and Japanese governments for all the hard work on the Haneda liberalization. Ambassador Sugiyama, Mr. Horiuchi, Mr. Yon, Mr. Short and your teams, thank you so much for your partnership, for your dedication, and for your vision in delivering this important benefit for our customers.

For more than 35 years United has been a leader in the U.S.-Tokyo market. We're the only U.S. carrier to serve Tokyo from all of our hubs, a dedication to Tokyo that no other U.S. carrier can claim. We currently fly 16 daily flights from nine U.S. gateways to five Japanese gateways. Of that total, 12 of the flights are to Tokyo. As an example, United serves Tokyo from the U.S.' four most populated cities - New York-Newark, Los Angeles, Chicago, and Houston. We also fly capital-to-capital connecting Tokyo and Washington. That's something only United can do, uniquely able to do that as a result of our international hub here in Washington at Dulles. And by the way, welcome to Washington, those of you who flew in through Dulles today or earlier.

United's U.S. hubs represent 52 percent of U.S. point of sale bookings to Tokyo and 48 percent of U.S. point of sale bookings to all of Japan. Simply said, our goal is to serve the right markets with the largest travel demand, to serve the places our customers want to fly. One of the things that's been said and maybe needs repeating or maybe not is that Tokyo is one of the world's largest markets with a population of over 38 million people. Nearly double that of New York, dwarfs the population of this region, the Washington region, with a population of 6 million. As we've all said, the statistics show the demand for travel to Japan is only going to grow the goal of 40 million visitors in 2020.

We're very excited given our long history in association with the U.S. Olympic Committee for the Tokyo Olympics in 2020. As such, the significance and impact of consumer preference for each of Tokyo's



airports is an important part of serving the right markets - the markets where our customers want to fly. United, uniquely among U.S. airlines, we believe recognizes that both of Tokyo's major airports offer consumers and communities important attributes. There's no doubting the convenience of downtown Tokyo that Haneda offers and importantly the time sense of the business traveler. Nor is there any doubt about the domestic scope and scale of Haneda with hundreds of flights each day to more than 30 points across Japan.

Similarly, though we also recognize the importance of Narita to support a global network. Narita is a key gateway for connections to points north and west of Tokyo and beyond Japan throughout the Asia Pacific region. Narita will continue to play an important role for United-ANA as a connecting point for U.S.-Asia Pacific travel just as it will for the American-JAL joint venture and similar to the sole place for the Delta-Korea joint venture. Today Narita has connectivity to 82 points in Asia Pacific and 48 of these destinations, more than half, can now serve via Tokyo Haneda.

In further recognition of each Tokyo airport, by next summer United will operate five daily flights between Haneda and two gateways on the U.S. West Coast. That's Los Angeles and San Francisco, a central gateway - Chicago, and two East Coast gateways - North Liberty and Washington, D.C. Also, in addition to Haneda, operating flights from Narita to Los Angeles and San Francisco to Denver and Houston in the Central U.S. and to New York-Newark metropolitan region on the East Coast. United is very proud with this long record of service in the region, but our success is shared. Just as Mr. Yon mentioned the importance of the U.S.-Japan relationship, United's relationship with our partner ANA I believe is one of the most essential in international aviation. Almost nine years ago next month the U.S. DOT issued its final order granting immunity from the U.S. antitrust laws to United and ANA and approval to operate our trans-Pacific joint venture. Nine years later we believe that venture is thriving. Today there's a flight between Denver and Tokyo; whereas, in the past there was none. United and ANA operate alongside each other to Houston. The scope of the joint venture has expanded to 66 countries





in the Americas and the Asia Pacific. We transport jointly nearly 5 million customers annually across our networks and operate 68 nonstop flights between 20 gateways in the Americas and Asia Pacific. So, this venture is good for our customers, it's good for competition, and it's also good for our companies.

In that spirit of cooperation, we offer a few ideas to strengthen the partnership between the markets going forward. Modernization of aviation infrastructure. Secondly, government industry cooperation on sustainability and alternative fuels. We congratulate the U.S. and Japan for working together in being leaders at ICAO in Montreal to maintain CORSIA as the market-based measure to tackle international carbon emissions. And finally, permitting transparency in a regulatory environment that allows innovation and competition to thrive.

Again, in closing thank you to the visionaries for recognizing the importance of the international partnership between the U.S. and Japan, the value of our markets to our consumers. We worked really well together in the past and we look forward to decades more of partnership. On behalf of United's 90,000 people worldwide, thanks for your attention today.

**Hirota Yamauchi:** Thank you so much. The next is Japanese Airlines. In this case also the alphabetical [sounds like] airlines order. So please, ANA, Fujimura-san.

**Shuichi Fujimura:** Thank you very much for inviting me to this wonderful symposium opportunity. Today I have very limited time and I'll just focus on three specific topics. That's about a new aircraft, midsize, long range that is changing the world industry and that's why it is called a game changer. This aircraft type includes Boeing 787 as well as Airbus 350s. ANA is the launch customer of 787. Currently we have 71 787, the largest 787 operators in the world. I think United, our joint venture partner, is the second largest in terms of the number of 787. So, we have a very good combination, right?

So, in October 2011 we first flew 787 between Narita and Hong Kong. That was the very, very first commercial international flight of 787. We added more 787 after that and also, we added large sub-destinations. But among many destinations covered by 787, probably San Jose and Mexico City are those very much, you know, typical destinations covered by 787 because they are not United hubs. They are all United spokes.

Let me move on to the next slide. It's very theoretical but, if you look at the left-hand side, that's typical to network carriers' joint venture structure. Two hubs are connected and we are covering a lot of spokes both sides. By linking two hubs, we can create all connections from left-hand side spoke cities to right-hand side spoke cities. But the problem is that we have some, you know, transit or connections when you travel from one spoke to the other spoke. So now we have introduced the 787 to cover such kind of inconvenience.

Please look at right-hand side. That is a new structure of our network. You see some red dotted lines. They are nonstop flights from own hub to partner's spoke city. Not only ANA and United but also many agent carriers have introduced such aircraft like 787 and the 350s. So, we have some examples here. ANA, I have already talked about Mexico City and San Jose. And United had started San Francisco-Singapore with 787. The Philippine Airlines, they have started Manila-JFK. And the Singapore Airlines, they started the Singapore-New York, L.A., San Fran, Seattle. Many cities.

So, what's going to happen next? That's sort of a fortune telling. We had sort of a brainstorming discussion session within ANA. Please assume that Airline A and probably a Japanese airline has a joint venture, which is Airline B, Asian carriers. And again, Airline A at the same time has another joint venture with Airline C. That is United or U.S. carriers. Then, if we have long-haul flights with the new aircraft, we can connect Airline C with Airline B. Maybe we will have multilateral joint ventures in the future from two bilateral joint ventures. But that's just, you know, an idea. I'm not sure



if it's going to happen or not, but maybe that's one of the possibilities. So that's going to change the industry more, further in the future. All right, that's it - my presentation. Thank you.

**Hirota Yamauchi:** Thank you so much. And the next presenter is Nishio-san from Japan Airlines. Please.

**Tadao Nishio:** Thank you very much for joining me today. My name is Tadao Nishio, the executive director of Japan Airlines Strategy. Today I would like to talk about Japan Airlines' strategy on 2020. First, look at the passenger demand on Japan. So, number one is the outbound demand of Japan. From Japan, we have a stable growth, a minimal growth of 0.4 percent. It's not growing well. Number 2 is the inbound demand forecast. We have a continuous growth of 6.1 percent a year and on 2027 we're going to have 70 percent more than the status quo.

Then let's talk about this passenger traffic inbound between Southeast Asia and North America. We'll have a 6 percent increase. By year on 2027 we'll also have 68 [sounds like] percent increase in demand. So, the key issue for Japan Airlines will be inbound passengers and the transit passengers. Then, going to the JAL strategy, how are we going to go with these situations? We look through this. So how many flights are going to increase in Japan? In Haneda we're going to have 50 flights per day. In Narita we're going to have 55 per day. In Tokyo Metropolitan Area we're going to have 100 flights per day. So how are we going to cope with Haneda? First, number one, is doing a business plan and doing a point-to-point services. Then inbound passenger to Japan, to domestic area, we have 200 flights per day. We can go anywhere in Japan.

As for Narita, we're going to strengthen network strategies through operation and with partners with JAL operations and strengthen the transit business between Southeast Asia and North America. Of course, we're going to increase inbound domestic demand utilizing Jetstar Japan and we're going to



launch LCCs. The number of the passengers will be 46 percent will be non-Japanese. But in '27 we're going to increase to 60 percent.

Let's look at the Jetstar Japan's network in Narita. We have a beautiful network over here. Jetstar Japan is serving at Narita with 14 destinations and 43 flights a day, eight Sapporo, eight Fukuoka, four Kansai, and four Okinawa. It's a beautiful thing. We're going to have a good chance for the inbound passenger in Narita.

So, we'll see the number of the flights we have in Haneda. We will have a slight growth in 2020. So, the international passenger will grow on the 2020s. For the Narita we'll have status quo. Plus, the green one will be the ZIPAIR. It will be the new LCCs which Japan Airlines is going to launch on 2020. So as co-share and the partnership, as Japan Airlines is a Oneworld alliance member but first we put weight on joint business partners - one in the U.S., three in Europe. And as for the U.S., we have American Airlines. Also, we have co-share partners. We have 31 co-share partners and we co-share outside of alliance where we can have a win-win partnership with the other airlines.

This is a portfolio of Japan Airlines on what we have. So, the vertical one is the fare ranges and the horizontal one is the long ranges. So, for the LCC strategies, on Narita, for the short distance we're going to utilize Jetstar Japan. For the long ranges, we're going to utilize ZIPAIR Tokyo. This will be launched in 2020s and we'll start with two aircraft based in Narita.

Then I will give you about the transit passengers. How are we going to cope with the transit passengers? We have three strategies over here. Number one is just our product and facilities. We also have full business class seat on long-haul and then lounge services. Well, we have new lounge at Narita. We have five lounges. We have 1,300 seats. Sushi is provided. And then, on the infrastructures, we've also changed to Amadeus and smartphone application have changes. So, this can give you a good convenience through all the bookings. Also marketing and sales, we're going to be utilizing the new partner channels and distribution channels.

Then we could talk about how we're going to cope with this hub and enhancing a new hub between Southeast Asia and North America. Now we give you an example of India. We're now having a co-share with Vistara. In Vietnam, we're having co-eshare with Vietjet. So, having these local destinations gathering the demand to Delhi, for example, using Vistara's network. Then we're going to make it to Narita. Also, in Vietnam we're going to use the Vietjet network and get there to Ho Chi Minh and Hanoi, and then take Japan Airline to Narita.

After that, what's going to happen in Narita, for example going to Seattle, we're making a co-share with Alaska Airlines. So, if you go to Seattle, go to the destination in the West Coast, we serve any place you go. This is how it goes.

This slide will show you how can we do that. It's we make a structure of time schedule in Narita. Two frameworks are created to the passengers between Southeast Asia and North Americas. For example, for Asia and United States we have two banks. Number one bank is this morning banks, and the other one is the evening banks. And from USA to Asia, we have a bank in evening. So, we are now intentionally making this time schedule to have this connection flight. Okay? So, thank you for your cooperation.

**Hirotaaka Yamauchi:** Thank you so much to all five of the panelists. Mr. Tamura already gave us a presentation, so let's go to the next step. I understand that these panelists state that the demand in the Asia Pacific region is expected to grow in the future, but I understand also that there is a change in the circumstances. For example, increases of the service of literally [sounds like] long-haul flights using new aircraft. They destroyed the existing hub-and-spoke system.

The second one is the intensity, intensifying the cooperation such as the development of a new airport in the Asian region. There will be much more rigor competition between the hub airports. Also, business expansion of the LCC airlines will make some threats on the existing airlines. In such

circumstances, I'd like to ask you your most crucial strategy in the future in this market. So please answer in alphabetical order, right?

**Robert Wirick:** The question?

**Hirotaaka Yamauchi:** Yes.

**Robert Wirick:** I'll go first. Thank you very much for setting that up. Yeah, you know the market is growing. The fact of the matter is, and this has been talked about so much already, between Boeing and Airbus there are all kinds of different aircrafts that can complete the mission. So, we're really thankful for having that technology. It was not long ago to where you'd have to be making tech stops in different places and everything. So you know it's important to have the regulatory structure in place, as well as the technology in terms of aircraft and everything and certainly the support of all the governments because it takes many building blocks along the way when you look at Russian overflights and other things that it takes to accomplish this mission.

But the most important thing that we at American focus on and working really closely with Japan Airlines and all of our alliance partners is those products just across the board - whether it'd be food, lounges, and everything that's important to them that they demand for the price that they pay on these tickets. So, we're always looking at trying to find the right balance to attract additional customers and being kind of sensitive to what all of those needs are for dining, for having just world-class delivery of the service on the part of our employees.

So that's another thing too that American has really focused a lot on in the last couple of years, is recruiting employees that are really excited about the industry, getting them the kind of training that

they need to deliver exceptional customer service. It's a process because I think there is a time where people take things for granted and we need to get back to looking at having customer service.

In terms of partnering with the airports, I think that's one of the most important things as well. We're always looking for a cost-efficient kind of delivery of that very important infrastructure before any projects are taken. We've got some really good examples of this at London Heathrow and certainly with the Narita Airport authority on the one-stop security thing. It's coming up with how the airports can work with us and get the throughput, the passengers' demands so they're not waiting in line.

So, I think that we've seen a lot of success and we're looking forward to working with Narita Airport authority to continue that one-stop security. That's just one of the many things in projects that we need to work on with different airports and stakeholders.

Finally, there's some exciting new technologies that are coming through that will increase the throughput like the biometrics and things. I think passengers just love that because there was a time where we were waiting in line and not having the technology available. If you've ever had the experience of going through with the biometrics and even with the advances in the global entry right now, it's just really an exciting time. But all of these are critical building elements in putting together our services.

**Hirota Yamauchi:** Thank you. Ms. Wingate, please.

**Heather Wingate:** Thank you. Our strategy in the region has been underway now for several years. As I mentioned in my presentation, that really is about providing U.S. direct service to the major markets in Asia and then leveraging our partners to allow our customers to reach secondary markets. To these points in particular, over the past ten years we have more than doubled the number of Asian direct



market flights that we serve. Similarly, we now have an opportunity to provide 95 percent of our customers' access to our Asian markets through our partners.

With regard to Japan specifically, we have a proud and rich history in the country that goes back 70 years as I know many of you are aware. And our commitment to Tokyo in particular remains strong. I'll just mention again that Japan specifically is 40 percent of our available seat miles portfolio within Asia and Tokyo remains our top destination with 50 percent more capacity to Tokyo than our next largest Asian city which is Seoul. Part of our strategy really does involve providing an excellent product. That involves not just the fleet upgrades, but also, we'll have a Sky Club in Haneda that we're looking forward to opening in short order.

We also are expanding different types of products like flight flatbeds in business class, as well as an upgraded economy experience. Just one more bucket that I'll mention is investment in people. We do have the 70-year history, but we're committed to having a more recognizable brand in Japan. So, we've hired and continue to hire both commercial and sales team professionals in Japan to help us reach deeper into the market.

**Hirota Yamauchi:** Thank you. So, the next speaker is Mr. Morrissey.

**Stephen Morrissey:** What they said. So, this is an intensely competitive business as everyone knows, but there are only so many things you can do. One thing you have to do is constantly innovate, constantly adapt. So, three things. First is our focus on safety. I know it sounds cliché but we are in the safest period in the history of commercial aviation. It's important for our customers, it's important for people if they have confidence that we are the safest airlines in the world. That goes for all of us. That's not a competitive issue.





On the competitive side though, I think number two is relentless focus on customer service. This is something United has been investing in more than ever before in our history. It's something that in over the course of our recent history we had lost focus on the customer. Our current leadership team is laser-focused on making the investments, the tools, the innovation, the training to be the world leader in customer service. We're making strides. We're training all of our frontline employees on caring. It sounds sort of weird that a business would talk about having to train their people to care, but we found that it doesn't just happen. Over our history we have been maybe more focused on getting our people to follow the rules, to get the planes out on time, to do that checklist. But we've lost focus on human interaction. That's something we at United are focused on restoring.

It's also giving our frontline employees tools too. We have a new initiative called Connection Saver which is using data and technology to decide when to hold flights so passengers won't miss their connections onward - a very important thing in a network business and a hub-and-spoke business. The connections matter. They make the network work or not.

This technology means that occasionally when it works, when we have the right information, we have a flight late coming in to one of our hubs from an international destination or a spoke. Maybe we will hold that connecting flight, delay it a little longer to allow people to make their connection. It doesn't help our on-time performance numbers, in a competitive business that matters, but we're finding that it really matters to those people who didn't miss a connection not to spend the night at the airport or at a hotel, and have a better customer service as a result.

The final thing I would say, I mentioned this in my remarks, is serving the right markets, flying to the places people want to go. That's what we do. That's a central part of our Asia strategy or Japan strategy, our partnership with ANA, and we're going to continue to do that as well.

**Hirota Yamauchi:** Thank you so much. The next one is Fujimura-san.

**Shuichi Fujimura:** Well, in terms of the long-haul range aircraft, I do not think it's going to destroy traditional hub-and-spoke models because currently we are covering more than 500 cities in North America, Central, and the South Americas with the cooperation with United Airlines. I do not believe that we can cover all those 500 cities with nonstop flights of course, so we still need hub-and-spoke systems. In addition to that, we will serve the middle-sized market with long-haul middle-sized aircraft. That's my, you know, focus in the future.

Also, in terms of single-aisle aircraft, Airbus is planning to have long range or ultra-long-range small aircraft. That's Airbus 320neo family. I think that's again going to change the middle-haul market probably from Tokyo to Bangkok, Singapore and the other smaller Asian cities. Those smaller cities will be covered by nonstop from Tokyo if, you know, we have a single-aisle long-haul aircraft.

**Hirotaaka Yamauchi:** Thank you. The next one is Nishio-san.

**Tadao Nishio:** Yes. For Japan Airlines the most crucial strategy, we have two. One is using Haneda and Narita Airports significantly. For Haneda, it has point-to-point services. So, we're going to strengthen our revenue management especially on high end markets. This is very important. And for Narita, we're going to create a new demand between Southeast Asia and North America enhancing Narita as a new hub. In order to achieve this, we will fully use a bright [sounds like] business scheme and also codeshare partners. We're going to intentionally create new transit network via Narita. So, we're going to make Narita as a new hub and make Asia as a hub for Japan Airlines. We are the airline in the Far East, so we can do that.

Number two is that we're going to establish a long-haul, a mid long-haul LCC. I'm designing a presentation, the name is ZIPAIR Tokyo, as part of our international business strategies. Japan can create new demand in Asia Pacific marketing and launch at 2020s a summer schedule from two aircraft.

We're using 787 and starting over there. We are utilizing the capacity expansion in Narita and provide the customer a new value in unexplored marketing. In particular, low cost and highly new travel style in long-haul demand will create a new business in Japan and also Asia Pacific routes. Thank you.

**Hirota Yamauchi:** Thank you so much. Thank you, five panelists. I understand that they insist that there are two aspects of the airline strategy. One is cooperation, cooperation among the airlines, and also the airline and the airports. Then the competition will be changed because of this cooperation. The last panelist is Tamura-san. Tamura-san, as you know, is the NAA's president. So, I direct to ask you the answer of these strategies.

**Akihiko Tamura:** Well, the top priority of our strategy is first to strengthen our infrastructure capacity-wise, operation-wise, and safety and security-wise. That way we could accommodate the growth of our Asian market. And then also we'd like to improve the satisfaction for the passengers and carriers. So, based on the details of our market analysis, we'd like to take measures, to quickly and appropriately respond to the needs of the carriers. That's the top priority for us.

**Hirota Yamauchi:** Thank you so much. So, the six panelists, presenters, each opinion. Are there any additional opinions, or comments, or objections? No?

I'll just ask you, Mr. Morrissey. You mentioned the Narita hub. So, you said that your airline remained the Narita hub in the future. Is that true?

**Stephen Morrissey:** Sorry?

**Hirota Yamauchi:** You mentioned that your airline is making hub in Narita already.

**Stephen Morrissey:** That's correct.

**Hirota Yamauchi:** So, I'd like to ask you in the future such system will remain?

**Stephen Morrissey:** The answer is yes. We look forward to our expansion in Haneda, but Narita remains a very important connection point and gateway to Asia Pacific, critical for our partnership with ANA, so we're committed to serving both Narita and Haneda.

**Shuichi Fujimura:** You know, I have the same idea.

**Hirota Yamauchi:** Yes?

**Shuichi Fujimura:** Yeah, we keep Narita or enhance Narita more.

**Hirota Yamauchi:** Maybe this is a bit good news for Tamura-san.

**Akihiko Tamura:** Yeah. Thank you very much for all your comments. Well, as I mentioned in my presentation, next year the services to North America will be very much affected. But beyond the 2020, we're going to increase our capacity substantially. We are the only airport to accommodate the growth over the Asia range [sounds like] in the near to a far future. So, I am going to make our airport to remain as the hub for the Asia and the North America connection.

**Hirota Yamauchi:** Is there any comment?

**Robert Wirick:** I think, consistent with the strategy pointed out by Japan Airlines, American will continue to collect and distribute traffic from Dallas-Fort Worth Airport to go to the many points that JAL will be serving out of Narita. So, I think that's good news. We'll continue to look at Narita when a new capacity comes on board. It will continue to be a key part of our strategy going forward.

**Hirota Yamauchi:** Thank you. Is there any comment? It's okay. I'm very satisfied because I was born in Narita City. I grew up in Narita City. So, I love Narita Airport. It's okay.

We are going to the second question. So, we have your crucial strategy. But doing such strategies, are there any concerns or issues to be watched or expectations and directions? Please answer my question. In this question, the first to answer is Fujimura-san, please.

**Shuichi Fujimura:** Sure. One of the biggest concerns for me is third country airlines' freedom of operations to and from Narita. I talked about the return of long-range aircraft. Basically, any Asian carriers can fly to U.S. nonstop with such aircraft. So, I think they do not have to stop at Narita and carry Japanese passengers to the U.S., but instead they can fly nonstop. So, I do not want to have more freedom operations beyond the Narita. Sorry about that.

**Hirota Yamauchi:** It's okay. Nishio-san.

**Tadao Nishio:** Yes. For me, we are looking very carefully on unit revenue and unit cost. Well, in particular unit revenue. So Asian LCCs is using very high continued marketing. We think that this expansion in Narita will also affect in this matter. Therefore, JAL have to make several challenges not to affect price competitions. Like for example we have to innovate better products and better services,



significant price stress-free travel, provide personal experience for the customers, and enough new technology and capability to improve quality and improve customer loyalty program.

To do that, we need great investment. So first we have to look more carefully about our yield, and also look about our investment unit cost. Especially the improvement of the aircraft allows LCCs to enter to Japan in a long-haul in very low fuel efficiency and have good ranges. It will impact our economy class fares. Of course, for the business fares, the technologies of all these demands is growing higher and higher. So, if you look at the business class, full flat. This looks like a hotel now.

Now how are we going to invest for the upper class? We need a great investment. Moreover, these cycles to renew all this furniture or these cabin interiors, usually it was taking seven years, but now this changed to five years. So, technology is also improving and also customers' requirements are improving, and that impacts our investment. So, we're going to have to look at our unit cost and also revenue cost. Yeah, this is our condition.

**Hirota Yamauchi:** Thank you so much. The next one please.

**Robert Wirick:** As pointed out by our partner, Japan Airlines, cost is always an imperative in this business. We're always looking at lowering our unit cost while increasing our unit revenue. So that's always a hard balance to achieve. One of the things that American Airlines is working on still having gone through a recent merger with U.S. Airways is optimization of some of our back-office IT systems. I think some of the technology that will be rolled out behind the scenes that I think will increase the efficiency with which we're able to handle the customer, we'll equip our agents and all of our frontline

people to better serve the customers are going to really have a dramatic effect, because at the end of the day, if your customers aren't happy, then they're going to go to one of our competitors.

So, we want to go and try to depress that activity as much as possible and then really look at delivery.

As I focused on before, it's attracting the right kind of people to the industry, training them, equipping them with the right tools frontline and in the back office to achieve these objectives.

**Hirota Yamauchi:** Thank you. Please.

**Heather Wingate:** Yeah. As we think about implementing our business strategy at the highest level, some of the issues we're paying attention to include regional politics as well as just the macroeconomic environment. Our goal ultimately is to ensure we have the right access, the right level of service to the key fastest growing markets, as well as to align our goals with our partners. In addition, we're very focused on onboard products as I've mentioned, as well as facility changes and infrastructure generally as the U.S. consumer really thinks beyond the major markets to where they want to travel. They're getting an expansive view of where they want to go in Asia, so infrastructure becomes quite important.

**Hirota Yamauchi:** Thank you. Please proceed.

**Stephen Morrissey:** I think one of the challenges to being successful in our business plan is complacency. United is an old company with an old brand. We talk a lot about our 35-year history serving markets. The challenge for us is to honor that past but not get stuck in it. This business is evolving on a daily basis and we need to be constantly updating our strategies, our technology, our innovation to keep pace, to honor the past but not be wedded to it.

**Hirotaaka Yamauchi:** Thank you so much. So many points pointed out. Mr. Tamura, is there any opinion on this further?

**Akihiko Tamura:** Well, we are also paying attention to the technological development or in the field of flying range of the aircraft. It will affect the demand for transit at Narita on the way between Asia and North America.

On the other hand, it may become possible to expand our network to regions that have until now been technologically impossible or economically difficult to reach from Narita such as Central and South America, Africa, Asia including India depending on the size of the aircraft. And so, we are closely watching this technological development side.

**Hirotaaka Yamauchi:** Thank you so much. To all of the panelists, technology change will change the aviation market. So, the existing airlines have to prepare the next step of the new stage, right? Okay. Thank you so much. Is there any comment or -- okay, please.

**Shuichi Fujimura:** Well, another concern is recession. In 2008 and '09 we had a great recession. Since then or after that we had a basically a healthy growth in our industry. But now I see a little bit concern about a coming recession. If you look at the freight volume, it's about 20 percent down from the previous year. Freight volume is sort of an advance indicator of passenger number. So, my big concern is we might have a recession and we have a passenger decrease in the near future. This could be possible.



**Hirotaaka Yamauchi:** Thank you so much. Everybody knows that international aviation is affected by the economic condition, so your concern about a recession, the international one. Is there any additional comment on this problem?

**Stephen Morrissey:** I think Heather mentioned this too. It's part of the geopolitical risks we all face in a very volatile world - whether it's recession, whether it's fuel prices or other costs. Those are always external events that we need to be ready and nimble enough to adapt to whatever the economic conditions we find ourselves in.

**Hirotaaka Yamauchi:** Thank you. Do you have any? Okay. Thank you so much. Another comment? There's no discussion about among the panelists? No? These six panelists are so calm. Okay. So, we have some time to discuss with the follow-up audience. So, can you ready the microphone? Do you have any question or opinion on the panel discussion? Please raise your hand. Please.

**Male voice:** Thank you. Well, we all know that every flight either begins or ends at an airport. It seems that over the last number of years the amount that's spent on airports outside of the U.S. has really dwarfed what's going on within the U.S. Do any of the panelists see that as a problem for the United States in terms of we seem to be lagging behind the development of new airports? Is that going to have an overall impact on sort of tourists coming to the U.S. as opposed to tourists leaving the U.S. and going to these brand-new facilities that are being built around the world including lots of them in Asia?

**Robert Wirick:** Maybe I could start that out. Maybe in the past there's been some lag in investment. But we've all seen a lot of construction at LaGuardia Airport in New York and certainly, where I'm from, at Dallas-Fort Worth with Terminal D and all the enhancements that had been done in refurbishing the

clubs and everything. The partnership with the airport has been really strong on this side. I think we feel pretty good about putting in better facilities and working with the airports to do cost containment at the same time, so we have to strike the right balance.

There are some airports that are brand new, in Beijing for example. That is just going to be a world class airport for those carriers who chose to serve there. So certainly, that kind of a new airport probably jars the investment that's being made on the U.S. side. But I feel pretty good about the investments that we've made and our partnership with Los Angeles, New York, certainly Chicago, Dallas-Fort Worth, and Miami. So, there's a lot going on with airport development here in the States.

**Heather Wingate:** I would just echo some of the comments that my colleague here had mentioned. At Delta, one of the benefits of a strong economy that we have had since the recession is that we now are in a position - all of us I think - to put major investments into the product. And that includes infrastructure investments. For the last five years we've put \$7 billion into airport infrastructure and we have \$12 billion on the line now. That includes the LaGuardia upgrade but also airports like Salt Lake City, and LAX, and Atlanta as well. So, I think maybe perhaps we've been in a catch-up mode, but I think we're getting there.

**Stephen Morrissey:** I agree and would add that, in addition to the physical infrastructure, we're also very focused on the air side infrastructure, air traffic management. United operates in three of the most congested air spaces in the United States – in the New York region, Chicago, and San Francisco. Our issue isn't airport access. Our issue is really air space. It's not unique to those three airports.

A looming trend, hopefully not a long-term trend but one that we have to grapple with related to that is the impact of severe weather. I think we've all seen a period here that's unusual. That doesn't seem to

be going away. We need to plan for severe weather as we do any other impediment to serving our customers. So, I think our greater concern than physical infrastructure is air traffic infrastructure.

**Hirotaaka Yamauchi:** It's okay? You're satisfied, right? Okay, thank you. The next one or another one?

**Male Voice:** Excuse me. I wonder, with all these airport expansion programs that you're planning, are you trying also to increase the number of electric service vehicles at the airport as part of your program? Also providing for possibly, if people who drive in and park their vehicle at airports, providing for an electric vehicle charging station that would meet sufficient needs for all these incoming vehicles?

**Akihiko Tamura:** Well, we have already invested in electrical charging devices for our iPhone or smartphone users. We have to think about the investment in the facility for the electric cars or other advanced environmentally friendly vehicles. So, I think the balance of the cost and performance is very important for the airport. Basically, in the field of that kind of customer service, safety and security investment will not produce revenues instantly. But we have to invest heavily in that field, I think.

**Hirotaaka Yamauchi:** It's okay?

**Male voice:** Yes.

**Male Voice:** Yes. It's concerning about the electric vehicle also. But talking about the reduction of CO2 emission measures will become the major issue of our industries in the future. So, we have to accelerate changing or replacing the new aircraft which reduces the CO2 and also this kind of electric

vehicle. But the problem is it's quite expensive to buy in Japan. So, we need lots of luck to make the price down.

**Stephen Morrissey:** Yeah. I would just say too that, as far as sustainability goes, carriers have the greatest incentives of decreased emissions. I think overall in this industry we've done a really good job at that. We've got to get the news out to kind of compare us versus what others are doing.

I think in so far as investment in trackers and baggage equipment and other equipment at the airports, it's just a matter of time that all airlines will look at this when they are making new investments and consider that technology because it does help with the environment and is probably cheaper to operate in the long term once those investments are made.

**Shuichi Fujimura:** And I think not only CO2 reduction, but also, we need to decrease our plastic waste. So, ANA is trying to reduce cabin plastics to improve the environment.

**Hirotaaka Yamauchi:** So next question? Feel free to raise your hand.

**Female voice:** Thank you. My question is, all the great ideas that you mentioned and all the innovation that you have going on, would there be any type of partnership or collaboration with any West African or overall African countries where transport is very challenging? The reason why I ask this question is because in most of those countries it's very hard to get to European or American countries because there's usually one or two flights leave in a day. It's a challenge that I face as a student and some of the families that I know that are currently facing. Is there anything technology-wise that you all have in mind or currently working on that can be done to facilitate travel in those regions?

**Robert Wirick:** I'm not sure technology-wise. I mean I think some of the best practices that we have here in the States and other parts of the world could be applicable in the African continent. Certainly, it's something that we at Oneworld have been looking at very closely. Just recently we brought Air Maroc. We've partnered with them. So, I think that's just really indicative of some of what we're seeing as the opportunities on the continent. But certainly, any of the technologies and best practices that we have here and in other places in the world we would use in those markets as well.

**Stephen Morrissey:** The only thing I would say is that we're always looking for new opportunities and new markets. I'm very pleased that United has announced service from Newark to Cape Town South Africa. We're returning to the African Continent, it's a very important market. It's very important to show that we're focused on finding new markets wherever they are.

**Female Voice:** I have question for JAL. In the past the long-haul low-cost has boomed. We've seen some successes and not success. If you look at Norwegian, they haven't been able to make it work well and disappeared. How will ZIPAIR be different? How will you make it work for long-haul low-cost?

**Tadao Nishio:** Oh, for the ZIPAIR?

**Female Voice:** The ZIPAIR.

**Tadao Nishio:** Okay. The name is ZIPAIR Tokyo. The code, as we use it, is Zipair. First what we did, the chances as Mr. Tamura said in his speech, is the expansion of Narita's operation time. So, we can operate by that time expansion. We're going to have a midnight flight and red-eye flight also. So, by utilizing this aircraft in midnight, aircraft utilization hours are around 16 hours, we can have more than

that. And of course, the density of the classes. But it's a long-haul, so we make it very small or you'll give dissatisfaction to the passengers. So still making eight abreast or nine abreast on the economy. But the most important thing is that there's no player in Japan who operates the long-haul, so I think this blue ocean market will be a chance.

**Hirota Yamauchi:** The blue ocean market.

**Tadao Nishio:** Yeah. Right. Well, of course there's no one -- we have to challenge this marketing. So first we'll challenge the marketing and then we'll utilize the aircraft, utilization, and use the red-eye flights in that so we're going to have a good opportunity. When we decrease the prices, like Hawaii or Honolulu, every person wants to go over there. But the price is a little bit high in Japan marketing. So, if we decrease - the market, well, I think potential market will come.

I was in a Jetstar Japan operating. It was a flight from Narita. At that time no one can imagine that we'll have that kind of a network. When we decreased the fare, half of the four carriers -- well, in Narita we have flights which are mentioned and we have a good network over there. The growth factor is around 80 percent. So, I think decreasing the prices and utilizing the aircraft, we can have the chances to have a winner there.

**Hirota Yamauchi:** Thank you. Anyone? Oh, please.

**Male voice:** This is a question for Mr. Morrissey and any of the other panelists who care to respond. Can you talk a little bit about your plans to begin using sustainable fuels on some of your routes?



**Mr. Morrissey:** I'd be happy to. So United has made a decision to be a leader, to be forward looking in the space of sustainable aviation fuels. We have partnerships with manufacturers. We're currently flying on a small scale out of Los Angeles an aircraft with a blend of sustainable aviation fuels. We have other planes in the works. We've made the calculation. Although there are a lot of economic challenges in the marketplace, it's a critical part of our commitment to meeting our sustainability goals. Goals that we need to meet to be good global citizens.

But also, this is the scenario where our customers, our shareholders, and our employees are all demanding forward looking action. So, we have an effort that we branded Eco-Skies. It's not just sustainable aviation fuels, but it's also new aircraft. It's carbon emission reduction. It's plastics. It's across the board strategy. I think you're going to be seeing more of that from all airlines because it's possible we do have a good story to tell. We need to tell it more, but we also have to take additional action.

**Heather Wingate:** I would just add from Delta we're trying to do this. I would second everything that Steve just said, but we're also trying to do some innovative things looking to the future. We recently made an investment, a direct investment in a plant in Washington to create a biofuel out of essentially wood pulp. So, we're really trying to look ahead and make some investments, sort of seed different ideas in order to get to where we ultimately all will need to go.

We also have a very broad initiative to eliminate single-use plastics generally. We're starting with some of our vanity kits. We package them quite differently. Next time you fly Delta overseas you might notice that. So, we're taking both big and small steps to make incremental progress.

**Robert Wirick:** Yeah, I would just echo what both United and Delta said. We're investing a heck of a lot in this industry as a company to make sure that we're being not only good corporate citizens but we're

contributing to the overall health of the planet. So, there'll be a lot more that's rolled out, I think, that you'll see probably collectively and individually, some really good ideas that are in the forefront. A lot of time and money is being invested in doing this.

**Heather Wingate:** And I would just say our investors are requiring that of us. It's our customers as well as investors.

**Hirotaaka Yamauchi:** Thank you so much. Any other one?

**Female Voice:** Thank you very much. Today's conversation is wonderful. I'd like to ask the Delta [phonetic] about the promotion, because the expansion or the increasing of the volume of airlines is wonderful. But I think one thing that is the most important thing for American to choose Japan as a tourism spot because in 2020 all over the world people focus in Tokyo, in Japan. But after that, that is very important. So, could you tell me about the strategy of promotion about Japan after 2020 or something?

**Hirotaaka Yamauchi:** After 2020. Very important. So, the question is to Delta Airline?

**Female voice:** Yes.

**Heather Wingate:** I'm sorry. I apologize. I didn't realize you are asking, what is our plan --?

**Female Voice:** Your promotion.

**Heather Wingate:** Oh, promotion.



**Female Voice:** Promotion.

**Heather Wingate:** Of the --?

**Female Voice:** Of the destination of Japan.

**Heather Wingate:** Absolutely. We're doing it in both markets in a very real way. We want to promote the Japan traveler to utilize our U.S. network. And I mentioned our investment in people to get to frankly elevate our brand and our history. But then similarly, with the new routes in addition to our current ones, we will be promoting those. We want to fill those planes, so we will actively be marketing not just really around the Olympics. Our sales team really sees the Olympics as certainly an opportunity, but what you see in events like that - as I understand - is that business travel can lag during those periods while tourism increases. So, for us it's a commitment for the long-haul and we will want to attract both the tourist, the U.S. tourist to those new flights as well as business travel. It just may have a different makeup during the time of the Olympics.

**Female voice:** Okay. Thank you very much.

**Heather Wingate:** Yes, of course.

**Tadao Nishio:** So, my answer is that in Japan in 2020 we are targeting 40 million and in 2030 we are targeting 60 million. So, what's the difference of 20 million is now the inbound passengers. Around 70 percent are going to Osaka, Tokyo, and Hokkaido. Only 30 percent is going other places in Japan. So, I

think the key is to increase that 20 million will be using Japan domestic network in all those many places here in Japan. So, we are now having domestic fares, special domestic fare for airline coming to Japan and all the passengers can use. Other airline can use. We don't do JAL-JAL connection only or American-JAL connection only. We promote for everybody. So, the fare is about ¥1,000 fare or about ¥5,000 fare. We are using that kind of fare to explore Japan. So, I think to go all around Japan, this nation [sounds like] can increase our promotion after 2020.

**Robert Wirick:** I would just add to that too. In working with JAL, this is an opportunity for all of us to attract new customers and sign them up to different frequent flyer programs and everything. And introduce them to some of the connection opportunities that we have within Japan and certainly beyond Japan. We'll be really utilizing those new trunk routes and the existing ones that we have to fully kind of optimize and grow the pie. That was the objective of the open skies policy. That was the objective of getting these last 12 frequencies. [Interruption]

**Stephen Morrissey:** Someone must not have liked your answer, Bob.

**Robert Wirick:** Anyway, I think beyond the Olympics, this is a chance for us to win customers. In this business, at the end of the day, we have to get the repeat customers. That's why we have to fight so hard for them to deliver excellent customer service. Once we win those customers, keep them in the fold. So, it's going to be working with all of our different marketing teams. It's not just say advertisements in newspapers and on TV and everything. It's getting our sales people to go out there and land the corporate contracts and do all the other footwork that they need to do to win those customers every day.



**Hiroataka Yamauchi:** Thank you so much everyone. Anyway, so it's time to finish our symposium. It's 6:00. I hope that our discussion is very fruitful and helpful for you. At the end of the discussion, I'd like to say that on behalf of our institute, I would like to say thank you for coming and the cooperation. Thank you so much.

**Mamiko Kim:** Thank you so much again to our moderator and panelists. Please join me in one more round for all the things. Thank you so much.

So, this is the end of our program. We would appreciate your feedback with the surveys that we have at your desk or at your chairs. The content of the symposium will be on our website in the next few days if you'd like to view it again. If you'd like to stay informed of our future events, please join our mailing list or join our Facebook and Twitter @JITTI USA. We are hosting a reception in the foyer behind you. Thank you very much for your time. We hope you have a pleasant evening. Thank you.

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