



# JITI

Japan International Transport Institute, USA



## The JITI Journal

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### Welcome

*Welcome to the JITI Journal, a bimonthly publication of the Japan International Transport Institute, USA (JITI), in which JITI will share information on transportation developments in Japan and elsewhere, as well as recent JITI programs. As a supplement to our regular events, we hope that the Journal will likewise be a resource for the transportation community.*

In this issue, JITI Senior Representative Nobukazu Nagai bids farewell upon his return to Japan.

Also in this issue, Research Director Micah Himmel reports on the tolling system in Japan. Additionally, JITI staff member Takanori Ashida, an aviation analyst, has penned an article about the cultural and scientific attractions of Tsukuba City.

This issue of the JITI Journal concludes with a roundup of transportation developments in Japan. We hope you enjoy the selection of transportation news articles.

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### JITI Events

**PAST:** [Intersections Series: New Opportunities for the Hokuriku Region: Impact of Japan's Newest High Speed Rail](#)

This event offered our audience a chance to learn about the charms of the Hokuriku region, timed perfectly with the addition of a new Shinkansen line to whisk people from Tokyo to Kanazawa in about two and a half hours. Speakers shared information on attractions and tourist destinations in Hokuriku and the comforts and speed of the Shinkansen. If you were unable to attend or wish to review the presentations, please see the seminar page [here](#).

**PAST:** [Airport Seminar 2014: Enhancing Airport Value](#)

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A slate of experts in airport management provided deep insight into what makes effective airports into gateways for travelers and goods and contributors to regional economic activity and job creation. Speakers discussed best practices from Baltimore, Kansai International (Osaka), Manchester, and San Francisco airports. Also, airport ratings and development were introduced. All in all, a lively discussion on airport management was had. Click [here](#) for access to the speakers' presentation materials.

### **UPCOMING:**

There are no upcoming events during the summer months. Best wishes from JITI staff for a safe and enjoyable summer!

## **Farewell from Nobukazu Nagai, former senior representative**

Dear colleagues,

I reluctantly have to tell you that I have left JITI and returned to Japan. I would like to express my sincere appreciation for your understanding of and support to JITI during my three-year term here. Now I work as director of the International Policy and Project Division at the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in Japan.

I strongly believe that JITI will continue to contribute to improving transportation systems and to strengthening friendship between the United States and Japan, through policy and industry research and analysis.

Your further support to JITI under Taro Kobayashi, the new senior representative, formerly the director of the Air Talks Office in the Civil Aviation Bureau at MLIT, will be appreciated.

Finally, please let me say thank you again, and say, "See you soon."

Nobukazu Nagai

## **Tolling in Japan**

Japan has a lengthy history of tolling its expressways. In contrast to highways in the United States and Europe, Japan has employed tolling on its roads since after World War II. Even with its extensive network of local, intercity and, of course, Shinkansen rail lines, the highway corridor running from Tokyo to Nagoya and on to Osaka is severely congested. Toll roads, therefore, serve an important role in ensuring regional and national mobility today.

During the 1950s the Japanese government prioritized construction of a road network to develop economically. Based on this need, the Japan Highway Public Corporation (JHPC) formed in 1956 to construct and administer Japan's then nascent intercity highway system. Faced with the need but absent sufficient public revenues for roadway construction, the legislature enacted laws that established a toll-based highway network.

The initial plan for toll roads in Japan included the concept that tolling would end once the system paid for itself. Each expressway collected tolls for the route traveled. However, tolls collected were used for the entire national expressway network, a pool system for toll revenues. Neither the end of tolls nor the pooling of toll revenues for construction outside of the specifically tolled highway segment or corridor sat well with the public. Eventually, interest in reforming the system grew, which led in 2005 to the privatization and breakup into regional units of the JHPC.

Under the leadership of then Prime Minister Junichiro Koizumi, the Japanese government privatized the JHPC in October 2005. Concurrently, the JHPC separated into three corporations: the West Nippon Expressway Company, Central Nippon Expressway Company, and East Nippon Expressway Company.

Additionally, Japan privatized the Metropolitan Expressway Public Corporation (Shuto Expressway, Tokyo), the Hanshin Expressway Public Corporation (Osaka-Kobe-Kyoto), and the Honshu-Shikoku Bridge authority.

While these private entities operate and maintain the toll roads, the tolling reform created a new public agency to maintain ownership and act as a fiscal steward for the expressway system. The Japan Expressway Holding and Debt Repayment Agency ("the Agency") operates under the jurisdiction of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

The Agency's mission includes support of the privatized expressway system, ensuring its safe and efficient operation and maintenance, and repayment of inherited debts from the previous publicly organized entity as well as debts from new construction. The expressway companies lease the assets from the Agency, the fees from which in turn are used to service agency debt.

The function of the expressways stakeholders bears some similarities to a public-private partnership. To conduct its business, the Agency owns the expressways, services debt, and leases the highways to the expressway companies. From the private side, the firms manage toll collection, expressway operations, and construction of related infrastructure. The new, privately constructed assets pass from the firms to the Agency, as do leasing fees.

Through this arrangement with the Agency and the expressway companies, the Japanese people receive the efficiency benefits of private operations and the stability of publicly supported infrastructure investment.

## Culture and Science Live Together in Tsukuba City

Tsukuba City is 60km northeast of Tokyo and 60km northwest of Japan's Narita International Airport. Visitors can get there by taking the Tsukuba Express train or by taking an express bus from either Tokyo or Narita.

Mt. Tsukuba rises in the sky at the north side of Tsukuba City, with an elevation of 877m. It may not be the highest mountain in Japan, but it has been an object of interest in Japanese religion since ancient times -- it was written about in *Manyoshu* (The Collection of a Thousand Leaves), the oldest Japanese book of poetry.

It has two peaks, Mt. Nantai and Mt. Nyotai, translating to "man" and "woman," which together make up the Japanese symbol for fertility.



*Tsukuba Mountain Seen from Sakura River at Hitachi, 1897. Woodblock print.*

A lot of hikers visit the peaks of Mt. Tsukuba year-round by cable car and by hiking.

From the top of the mountain, a visitor can look out across the scenic Kanto Plain, and when it is clear, one can even see all the way to Mt. Fuji. Halfway up Mt. Tsukuba, visitors will find Tsukuba Temple and a hot spring, where they can really get a taste of traditional Japan.



*View of Mount Tsukuba (Polimerek, 2012)*

Yet for all its traditional appeal, Tsukuba is also a hotbed for technology and modern development. Over 300 research institutes are located in this university town, and a World Fair was held there in 1985. Visitors can tour Tsukuba's university campuses, as well as the old fairgrounds.

Also in Tsukuba are the Japan Aerospace eXploration Agency (JAXA)'s Tsukuba Space Center, a herbarium at the National Institute of Advanced Industrial Science and Technology, and Cyberdyne, a company known for developing a revolutionary type of robot.

Tsukuba is a place where visitors can see both government research facilities and cutting-edge technology centers from the private sector. On weekends and holidays, one can easily visit each of the research facilities by connecting bus.



*JAXA's Tsukuba Space Center. JAXA ©*

Tsukuba City is an amazing area where you can really take in and enjoy Japanese culture and science and technology at the same time, and it is close to both Tokyo and Narita Airport. If you're looking to find a place where Japan's past and future come together, look no further than Tsukuba!

## Japanese Transportation News Roundup

According to a recent study, [Japan leads the world in patents](#) on a number of cutting-edge technologies, most notably those for self-driving cars.

Although many Japanese companies are outsourcing production abroad, the aircraft industry is bucking the trend, [with a new construction boom](#) for parts manufacturing facilities.

Japanese automakers should have some interesting products in the pipeline, as they [spend record amounts on research and development](#) for technologies from fuel cells to assisted driving to autopilot.

Foreign tourism to Japan is [hitting record numbers](#) of late, with much of the new interest in traveling to the country coming from China and Southeast Asia.

Despite a still weakened yen, Japanese carmakers are [projected to see industry-high profit margins in the near term](#), besting their American counterparts.

Japan Airlines is [making it easier for foreign visitors to stay connected](#) while traveling in Japan, making login credentials for Nippon Telegraph & Telephone East's extensive free Wi-Fi network for foreigners available online.

Japanese food company Ajinomoto could be shaking up the shipping industry, [moving its long-haul routes to maritime and rail transport](#), as driver



shortages raise trucking costs.

As the Japanese government works to draw international travelers, it is considering a plan [to expand takeoff and landing slots at Narita and Haneda](#) airports by 50%.

With only one other company in the world - South Korea's Hyundai Motor - aiming to commercialize hydrogen fuel cells by 2015, [Japanese automakers seem to have a clear lead in bringing the green technology to market](#), with the Japanese government's help.

All Nippon Airways parent ANA Holdings is [looking to capitalize on Japan's low-cost airline ecosystem](#), opening a new pilot-training facility in Thailand and an aircraft maintenance unit in Okinawa.

## Stay in Touch with JITI

Please follow the Japan International Transport Institute Twitter feed at [@JITIUSA](#). We look forward to you becoming one of our #transpo tweeps.

*Thank you for reading the JITI Journal. Until the next issue, whatever your mode, travel safely!*

*Micah Himmel, Research Director*