



JITI

Japan International Transport Institute, USA



The JITI Journal

Volume 1, Issue 1
November 2013

Welcome

Welcome to the first issue of the JITI Journal, a new bimonthly publication of the Japan International Transport Institute, USA (JITI). On a regular basis, 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 reports on the expansion of airport capacity in Tokyo area airports. With a greater supply for routes underway, there is a lot in store for Tokyo aviation.

The JITI Journal concludes with a selection of transportation articles that should be of interest.

In This Issue:

[JITI Events](#)

[Feature: The Expansion of Tokyo Airports](#)

[Japanese Transportation News Roundup](#)

JITI Events

[Nov. 19 Aviation Seminar: The Future of the U.S.- Japan Market](#)

Coming up next week, JITI hosts its 2013 aviation seminar: "[The Future of the U.S.-Japan Market](#)." Speakers will address policy developments and the business case for future growth for the U.S.-Japan aviation market. This event supplies an opportunity to learn more about the dynamics underpinning trends in international air travel and to interact with experts from government, airlines, and academia. The seminar is next Tuesday at 3:00 p.m. in Washington, D.C., at the Willard InterContinental. Afterward, you are welcome to join us for a reception. See you there!

[Oct. 10 Intersections Series: Improving Railroad Safety: The Status of Positive Train Control and Its Implications](#)

Last month, JITI's Intersection Series presented a railroad safety seminar. The topic centered on positive train control (PTC), which is, per statute, "a system designed to prevent train-to-train collisions, over-speed derailments, incursions into established work zone limits, and the movement of a train through a switch left in the wrong position."

The speaker for the event was Mr. Grady Cothen, an accomplished

2013 Aviation Seminar



On Tuesday, November 19th, JITI will host its 2013 Aviation Seminar:

"The Future of the U.S.- Japan Market"

at The Willard InterContinental Washington

Seminar: **3pm-6pm**
Reception: **6pm-7:30pm**

The seminar will feature keynote speeches and a panel discussion by representatives from the US State Department, Hawaiian Airlines, ANA, MLIT, InterVISTAS and the GMU School of Public Policy.

Reception to follow.

The seminar is free, but we require pre-registration. We have less than a week to go, so **register** today!

Quick Links

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veteran of the Federal Railroad Administration. A strong advocate for careful and prompt implementation of PTC, Mr. Cothen shared information about the industry's safety record, the demands of implementing PTC, and progress (or lack thereof, in some cases) toward meeting the statutory deadline of December 2015. Then, Mr. Cothen provocatively closed his presentation with a photo of Warren Buffet beside Matt Rose, CEO of BNSF, which is moving forward with PTC implementation. While highlighting railroad industry statements about the lack of business benefits to implementing PTC, he asked what it is that these two know about PTC that has motivated them to move forward expeditiously with implementation. Besides the obvious safety benefits of immediate implementation of PTC, it seems that there is a business case as well.

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The Expansion of Tokyo Airports

Tokyo has two major airports: Narita and Haneda. Narita, with more than 30 million passengers and 2 million tons of cargo a year, works mainly as an international hub. Haneda, with 67 million passengers and 840,000 tons of cargo, has been a domestic hub airport since 1978, when Narita opened. These two airports, among the busiest in the world, had been unable to respond to increasing demands, due to their lack of capacity.

However, progressive expansion of capacity at these two airports, since October 2010, when the fourth runway at Haneda opened, is changing the situation dramatically. Narita has 270,000 slots a year currently. It plans to increase the number of slots to 300,000 by March 2015, a 36 percent increase over the level in 2010. And Haneda, which now has 410,000 slots a year, is supposed to increase to 447,000, 48 percent over the level in early 2010.

This development has brought a big change in Japanese aviation.

First, it enabled the Open Skies policy in Japan. Limited capacity at Narita was one reason why the Japanese Government had initially been hesitant to open its skies entirely. Now airlines can start new services at Narita without inter-governmental arrangements for additional flights. New routes such as Narita-Denver, Narita-Boston, Narita-San Jose, etc., have been operating under the US-Japan Open Skies agreement, which was signed in 2010.

Second, Haneda reopened for international flights. Currently it connects with 18 cities including Seattle, San Francisco, Los Angeles, New York, and Honolulu. It is expected to expand its network after March 2014, when international slots increase to 90,000 a year.

Last, low cost carriers (LCCs) started their services at Narita to cities in Japan and other Asian countries. The market in Tokyo is so huge, with a greater metropolitan area population of more than 40 million, that LCCs are expected to stimulate additional demand in the aviation market through lower fares.

In conjunction with these three factors, current airport expansion in Tokyo has the potential to revitalize the Japanese domestic and international market, including US-Japan routes.

Moreover, Japan has started work toward future capacity expansion. In September, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) started a discussion to enhance the functionality of Tokyo airports. MLIT will begin by reviewing potential options to meet future demand in the Japanese and Asian markets. Afterward, MLIT will examine these options and begin talks with prefectures, airlines, and other stakeholders. Although MLIT has not weighed in on specific measures officially, the Nikkei, a major newspaper in Japan, reported that possible measures could include constructing a new runway at Haneda and easing the curfew restriction at Narita, which would face challenges such as securing financing and difficult negotiations with local stakeholders. Thus, progress on further capacity beyond the current phase is unclear and unlikely anytime soon.

To summarize, expansion at Narita and Haneda will soon bring the total number of slots per year to 750,000. Airport development in Tokyo has already stimulated and will continue to stimulate the US-Japan aviation market, which has in turn increased business and leisure opportunities for

Japan and the United States and will continue to do so. This round of expansion for Tokyo's airports offers people a chance to enjoy greater global connectivity.

Japanese Transportation News Roundup

With Boeing distracted by problems with its Dreamliner aircraft, Airbus has aggressively sought to grab market share and is now [gaining it in Japan](#) for the first time ever.

A new Tokyo subway line and expansion of Haneda airport are among the projects [being pitched for development](#) in anticipation of the 2020 Olympic Games.

Facing rising competition in the U.S., Toyota is now soliciting [greater input from its American executives](#) in a push to better understand - and regain its lead in - the U.S. market.

While Google and others toy with experimental self-driving car technology, [Toyota aims for a similar technology](#) that could be market-ready in a few short years and will see an "autopilot" system take over for drivers in risky scenarios.

Although domestic air travel in Japan is projected to grow only marginally, if at all, Tokyo's two main airports [may be tested over the next decade](#) by surging international travel.

A major Tokyo taxi company intends to [install a monitoring system](#) alerting passengers before they leave any valuables behind.

Aviation is not the only mode of transportation picking up speed in Japan; Tokyo is slated to [build an all-new wharf](#) catering to large passenger cruise ships, a rising segment of Japan's seaways.

While Toyota works to implement self-driving technology under certain circumstances, Nissan is going all-in, [building a Silicon Valley research center](#) focused on making fully self-driving cars a reality on the road by 2020.

Subaru maker Fuji Heavy Industries and Toyota are putting aside competition to team up on [joint development on a hybrid SUV](#) that could be marketed under both brands as early as 2017.

JR Central (JR Tokai) is developing [a new maglev train line](#) that will whisk passengers between Tokyo and Osaka. Many people in Japan are pinning their hopes on this ultra-high-speed rail.

JITI News

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. We look forward to catching up with you again in January 2014!

Micah Himmel, Research Director