



JITI

Japan International Transport Institute, USA



The JITI Journal

Volume 1, Issue 3
March 2014

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 Research Director Micah Himmel offers an overview of shared-use mobility in Japan. The report reviews carsharing in Japan and its development, the potential for ridesharing to increase mobility in rural areas, and potential impediments to both being more broadly implemented.

Also in this issue, JITI staff member Natasha Daly has contributed a travelogue about her time in Nagasaki, Japan.

The JITI Journal concludes with a spotlight on transportation developments in Japan. We hope you enjoy the selection of transportation news articles.

In This Issue:

[JITI Events](#)

[Feature: Shared-use mobility in Japan](#)

[JITI Travelogue: A Visit to Nagasaki, Japan](#)

[Japanese Transportation News Roundup](#)

JITI Events

UPCOMING: [JITI Global Logistics Seminar 2014: Infrastructure for Future Competitiveness](#)

Please join JITI at **3:00 pm on March 27, 2014, at the Grand Hyatt Washington** for this seminar. The focus of this event centers on the state of global logistics. Speakers will examine the importance of infrastructure investment, public policy to strengthen competitiveness, and the nearing completion of the Panama Canal expansion. If you have not already registered, please follow [this link](#) to sign up now

[JITI Intersections Series: Mobility Innovation in the Sharing Economy](#)

Three dynamic speakers discussed the confluence of demographics, open

March 27: Global Logistics Seminar



On Thursday, March 27th, JITI will host a seminar focused on global logistics:

"Infrastructure for Future Competitiveness"

at the Grand Hyatt Washington.

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

The event will feature speakers from MARAD, Virginia Port Authority, MLIT of Japan, MOL America, Inc., and NAM.

Reception to follow.

This event is free, but we require pre-registration. We only have a couple of days to go, so **register** today!

Quick Links

Visit our [website](#).

Follow us on [twitter](#)

Our Sponsor



Join Our Mailing List!

data, and mobile apps to provide the foundation for the development of a new generation of shared-use mobility. The speakers elaborated on the benefits of and challenges to carsharing and ridesharing. The thinking on this topic ranged from a historical review of ridesharing one hundred years ago to present day trends in land-use and employment patterns. For more information, the presentation materials for this February 5, 2014, event can be found [here](#).

[JITI Aviation Seminar 2013: The Future of the U.S.-Japan Market](#)

On November 19, 2013, JITI held a seminar on the outlook for the bilateral air travel market between the United States and Japan. With speakers representing the U.S. and Japanese governments, airlines, and academia, the presentation and panel sessions provided our audience with a rich sense of the air travel market and policy developments for this key driver of the global economy. To sample the ideas at this seminar, visit the [event page](#) for links to the speakers presentations.

Shared-use Mobility in Japan

In February 2014, JITI USA held a seminar on the topic of shared-use mobility. The event focused on ridesharing and carsharing developments in the United States. The speakers illustrated that shared-use mobility options have gained momentum in America especially with certain demographics. Similarly, there are efforts in Japan to increase the use of carsharing and ridesharing.

In Japan, trends in shared-use mobility are based on growing environmental conservationism and declining demand for personal car ownership among younger Japanese. These trends parallel similar ones in the United States, especially as the latter relates to modal choices among Millennials.

Carsharing in Japan is generally recognized to have begun in the late 1990s with private and public demonstration programs. Many of these programs relied on electric vehicles for their fleets. In 2006, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) deregulated carsharing, which led to a blossoming in the industry. Carsharing operators began to diversify from corporate demonstrations or government-incubated spinoffs to condominium owners, urban rail operators, and parking management companies. The market has grown to the point that the Ministry no longer believes it necessary to support carsharing.

The regulatory framework for carsharing falls within statutes relating to rental cars (the Garage Act and Road Transport Act). The requisites for launching a carsharing service include maintaining insurance and data collection. Other regulations apply to the location of carsharing stations, but there is some flexibility on that point. In addition, one-way carsharing service with ultra-lightweight vehicles has started in some cities.

To provide a sense of its growth, one can observe that the number of vehicles operated for carsharing in Japan between 2002 and 2011 increased from 21 to 4,174, a compound annual growth rate of 80 percent. The compound annual growth rate for membership in carsharing rose 127 percent. That the membership numbers outpaced fleet growth portends well for those seeking the benefits of transportation demand management. According to one stakeholder in the carsharing market, they forecast carsharing membership could increase to 2.5 million; that said, others have been less sanguine.

For all of its promise, carsharing is also viewed as a potentially disruptive factor in certain parts of the economy. A bus operator in Tokyo sees carsharing as direct competition with its service. Some see carsharing, with its suppression of the need for personal car ownership, as a threat to carmakers. Moreover, in the case of at least one prefectural government that has conducted its own review of carsharing, the environmental benefits of carsharing are inconclusive, though there is a consensus that carsharing generally brings about environmental benefits.

Elsewhere in the Japanese shared-use mobility landscape, ridesharing is not particularly widespread at this time. However, its first Web-based ridesharing facilitator, Notteco (のってこ), run by Turnturtle, has been active since 2007. Notteco coordinates those looking for rides and those willing to provide rides. The drivers share the cost of the ride with passengers, and the amount may only cover costs to avoid violating the

Road Transport Act. As with ridesharing in America, trust is a factor. Notteco has provided an online space to provide assurances about the reliability of the service, which includes extensive driver profiles, a ratings system for drivers and passengers, and transparent negotiations over price and route.

In addition to serving urban areas, ridesharing may hold a key to at least partially address a problem in rural Japan. Provision of transit services in rural areas has become increasingly challenging. Work conducted by a group of Japanese researchers indicates the potential exists for ridesharing to supplement public transit, even in a relatively low-density area (175 pp/km²). Their survey showed sufficient supply of drivers and interest among potential passengers. The survey also recognized that significant numbers of senior citizens unfamiliar or uncomfortable with online technology might be reluctant to use ridesharing. Willingness to ride with strangers poses another hurdle.

In all, carsharing and ridesharing in Japan play a small but meaningful role in Japan's transportation demand management practices. I believe we should keep watching this area for future growth.

*It is worth noting that bikeshare is less of an issue in Japan due to the prevalence of extensive bicycle use as a first-mile mode choice.

JITI Travelogue: A Visit to Nagasaki, Japan

Natasha Daly, a JITI staff member, has contributed a travelogue in this issue of the JITI Journal about her time in Japan. This installment of her travel writings relates her experience in [Nagasaki, Japan](#), a city whose history makes it an entirely unique part of Japan.



Since 1945, Nagasaki has been known to the world as a symbol of war and devastation, but it is in fact a place of peace, a testament to the strength of resilience of the Japanese spirit. It is one of the most memorable cities I have ever visited.

Nagasaki is unique in Japan because it was the country's sole opening to the West for hundreds of years, right up until the late 19th century. Because of this singular history, stretching back to the early 1600s, Nagasaki is unlike any other city, with its mixture of Japanese and Western architecture, coming together harmoniously amid a dramatic and beautiful landscape in which mountains meet the sea.

Nagasaki is also great for exploring. It is small enough to be manageable for any visitor, thanks to its

walkability and its efficient electric streetcar system, but its diversity in architecture and neighborhoods makes it deep and full of surprises. A covered market filled with ramen stalls and electronics stores sits just blocks from a waterfront park that is filled with dozens of kite fliers of all ages who run in front of a harbor bustling with ships. A fragrant, tree-lined path by the canal that snakes its way through much of the city leads to a walk up a steep hill, leading to a 19th century Catholic church that sits at the hill's peak and overlooks the seaside far below. Few cities its size are quite as replete with places to discover.

One of the most interesting places in Nagasaki is [Dejima Island](#), an artificial island that was home to a Dutch trading port and, for many years, represented one of Japan's only connections to the outside world. Isolated for hundreds of years,

as Nagasaki confined foreigners largely to within its bounds, Dejima is a little island of 17th century Europe in the middle of modern Japan. The contrast is fascinating - and so characteristic of Nagasaki.

I visited Nagasaki nearly five years ago, but I still think of it often, suddenly remembering places I visited - a quaint Italian restaurant that served up strikingly authentic pizza, a tiny park watched over by an early twentieth century, Western-style police station, a cemetery that for generations was Japan's only resting place for foreigners - as though discovering them for the first time. I was not quite sure what to expect from Nagasaki before going. The only thing I really knew about it was what every student of world history knows. I had not known it was this beautiful and historic a city, just waiting to be discovered on its own terms.



Japanese Transportation News Roundup

Travel professionals in Japan are preparing for the March 30 rollout of additional international slots at Haneda Airport, with the aim of encouraging and facilitating [more Japanese travel abroad](#). Many seek to entice people from outside the Tokyo metropolitan area, given Haneda's existing status as a leading domestic hub.

Japan's Ministry of Land, Infrastructure, Transport and Tourism is looking to enter the big data era. MLIT hopes to launch a [major data initiative](#) to better collect, analyze, and manage information about cars on Japan's public roads. The government would use information such as accident and repair records and driving distances for its own purposes, but also hopes to license its data sets.

Japan Airlines [has a new slot](#) at Tokyo's Haneda Airport for routes to and from Ho Chi Minh City, Vietnam, starting imminently.

Near-universal driver adoption of electronic toll collection (ETC) systems in Japan means transportation authorities can [tap into ETC networks](#) to monitor and analyze traffic patterns with far more accuracy than was ever

previously possible. MLIT intends to use such ETC capabilities to determine when highway congestion is at its heaviest and charge higher tolls accordingly.

All Nippon Airways angles for victory over rival Japan Airlines, with a particular focus on international travel. ANA is targeting aggressive revenue and profit growth over the coming years as it [increases its international flight offerings](#) and presence at Haneda and Narita Airports.

New mid-sized airliners from Airbus will no longer be the huge steel tubes they once were, thanks to a [partnership between the company and Japan's own Teijin](#). Teijin will supply a carbon-fiber composite, which is 10 times as strong as steel yet 75% lighter, to Airbus, expanding a growing offering from Teijin and deepening its relationship with Airbus.

Central Japan Railway Co., commonly known as JR Central, has seen a [return to strong profit growth](#). The company has an improving economy, lower expenses, and increased usage of its Tokyo-to-Osaka shinkansen line to thank for its performance.

Despite being Japan's "perennial underdog" in the already fickle maritime shipping industry, Kawasaki Kisen Kaisha is [seeing strong performance](#) through a counterintuitive strategy of cutting back volume. The company is instead focusing on prioritizing its routes and cutting costs by maximizing efficiency.

Toshiba is taking a big step toward the vision of making electric cars truly viable on a vast scale. The company will soon demonstrate an experimental technology allowing for [rapid wireless charging for electric cars](#). Toshiba hopes to launch full-scale testing of the technology in earnest in the coming months.

As emerging markets continue to grow in Africa, so do opportunities for economic ties between Japan and countries on the African continent. The only active direct Japan-to-Africa flight is [set to launch this summer](#), as Ethiopian Airlines connects Narita Airport and Addis Ababa, Ethiopia.

Nissan is introducing a new [entirely electric van similar to its Leaf sedan](#). While the model was once intended to headline a fleet of electric taxis in New York City, Nissan is not launching the vehicle in the U.S. yet, focusing instead on the European market.

As the Japanese auto market overall continues to struggle amid economic concerns and shifting consumer behavior, SUVs have become a rare bright spot for the industry. Mazda is responding by [launching a subcompact SUV for the home market](#), with plans to have three domestic SUV models in stores by 2015.

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