



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.

For this issue, JITI Senior Representative Nobukazu Nagai reports on airport management structure in Japan.

Also in this issue, JITI staff member Tatsushi Kawabata has contributed a piece about the registration of Mount Fuji on the UNESCO World Heritage List.

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

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

As the birthplace of high speed rail, Japan has continued to innovate high speed rail to make it one of the fastest, most reliable, and safest forms of transportation in the world. A new Shinkansen line will connect the Hokuriku region to this high speed network. Please join us for an afternoon experiencing the wonder of the Shinkansen and the charms of the Hokuriku region in the nation's capital. The seminar is next **Tuesday the 20th at 5:00 p.m. at the Japan Information and Culture Center (JICC), Embassy of Japan, 1150 18th Street, NW, Suite 100, Washington, D.C.** We hope to see you there.

UPCOMING: [Airport Seminar 2014: Enhancing Airport Value](#)

June 12: Airport Seminar 2014



On Thursday, June 12th, JITI will host a seminar focused on airports:

"Enhancing Airport Value"

at the Willard InterContinental Washington.

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

The event will feature speakers from San Francisco International Airport, Maryland Aviation Administration, Manchester Airports Group, New Kansai International Airport Company, Fitch Ratings, and The Wicks Group.

Reception to follow.

This event is free, but we require pre-registration. **Register** today!

May 20: Bullet Train Seminar



On Tuesday, May 20, together with the Embassy of Japan and the Japan National Tourism Organization (JNTO), JITI will host a seminar focused on Japan's newest high

Airports serve as gateways for travelers and goods, and contribute to regional economic activity and job creation. Please join us as we examine aviation trends affecting the profitability and growth of airports. The seminar will be held on **June 12 at 3:00 p.m. at the Willard InterContinental Washington, 1401 Pennsylvania Avenue, NW, Washington, D.C.** We hope to see you there. Click [here](#) for registration.

PAST: [Global Logistics Seminar: Infrastructure for Future Competitiveness](#)

In March, JITI hosted a seminar on the importance of ports and other critical supply chain infrastructure. Speakers from Japan and the United States illustrated the opportunities and challenges for ports, shipping lines, and shippers in order to boost economic development. For the speakers' presentations, click [here](#) to download.

Dynamic Change in Japan's Airport Management: Airport Concession Starting Soon

In Japan, 97 airports exist from coast to coast - from Narita, which is a main gateway to the world, to remote islands, where air service is essential to their residents. To expand its airport network, the Japanese government has played a central role. Its special account system, in which it collects taxes and airport fees to allocate funds to new projects, has helped develop new airports. The government owns and manages major airports, including Haneda, though its responsibility is limited because private firms independently own and manage terminal buildings and other non-aeronautical facilities; and because private companies entirely own and manage Narita, Kansai, Itami, and Chubu airports.

However, now that the network has generally been built out, the government decided to shift the policy priority from development to better management in pursuit of more efficient airports and to strengthen the Japanese economy's competitiveness.

This change meant that the current system for airport development and management needs to be upgraded. The government recognized problems about the current airport management system. First, public airport management results in bureaucratic practices. Second, the separate management of runways from terminal buildings causes a lack of dynamism and flexibility in management. Lastly, uniformly regulated airport fees in a special account system are an obstacle to independent management of each airport. Actually, airport managers in Japan do not need to much consider the particular circumstances of individual airports. Also, they do not need to review their airport fees in consideration of their non-aeronautical businesses, as those in the U.S. do.

The government's answer was an airport concession. The government will sell the rights to manage single or multiple airports to the private sector, though it will continue to own the airports due to their importance as public infrastructure. A concessionaire would be responsible for both aeronautical and non-aeronautical business at an airport and decide airport fees by itself.

This new system is expected to benefit not only the airports but stakeholders as well. Airlines would enjoy lower airport costs and expand their network more easily with such cost reductions. Passengers could enjoy more sophisticated commercial facilities under more efficient and timely management by the private sector and may fly to more destinations. With greater numbers of enplaned passengers and cargos passing through a given airport, the local and national economy would benefit from more visitors and investment.

Kansai, Itami, and Sendai seem to be the leading examples of airport concessions. New Kansai International Airport Company (NKIAC), which owns Kansai and Itami airports, is preparing for a concession for both

speed rail system:

"New Opportunities for the Hokuriku Region: Impact of Japan's Newest High Speed Rail"

at the Japan Information and Culture Center (JICC).

Seminar: **5pm - 6:30pm**
Reception to follow.

The event will feature speakers from Japan Railways Group, The German Marshall Fund of the United States and the Japan National Tourism Organization (JNTO).

Click [here](#) for more information. Registration for this event is now closed. To all who registered, we look forward to seeing you on Tuesday!

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airports. Although this case is not precisely a concession of government-owned airports, NKIAC aims to strengthen financial sustainability and competitiveness by the concession, which would allow NKIAC to repay its liability earlier and more safely.

As to Sendai airport, the government made public its concession plan last month. Under a 65-year contract, a concessionaire would manage aeronautical and commercial facilities. This concession is expected to accelerate the revitalization of the Tohoku region, which was struck by the Great East Japan Earthquake in 2011.

Success at these airports would dynamically change the airport management in Japan. The national government would favorably consider more cases, and local governments also might sell their airports. I am confident that airport concessions will improve airport competitiveness and stimulate the Japanese aviation market. Also, I hope they will provide new business opportunities for the private sector.

Mr. Katsuhiko Yamaguchi, executive officer of NKIAC, will join our Airport Seminar on June 12. You may wish to hear about NKIAC's efforts to enhance the value of its business to attract more investors in the airports' concession.

The Newest World Heritage Site in Japan: Mt. Fuji as "Sacred Place and Source for Artistic Expression"

Mount Fuji, which is the highest mountain in Japan and straddles Yamanashi and Shizuoka prefectures, was officially registered as a UNESCO World Heritage site in June 2013.

The 3,776-meter (12,388 feet) active volcano is famous for its beautiful conical shape and serves as a symbol of Japan for many people who feel its attraction. Many JITI Journal subscribers might also know Mount Fuji (in Japanese, "Fujisan") very well as one of the most famous tourist destinations along the "Golden Route" in Japan.



Mount Fuji and the Tokaido Shinkansen.

However, at this time, Japan's tallest and most celebrated mountain was

recognized for its cultural value rather than natural value and included on the World Cultural Heritage List, under the title "Fujisan, sacred place and source for artistic inspiration."

Since ancient times, Mount Fuji's powerful and spiritual presence has evoked a sense of awe and, therefore, it has been worshipped as a sacred mountain. Around the 12th Century, Mount Fuji became a training site for *Shugendō*, a religious practice for the attainment of spiritual power. In the 14th and 15th centuries, some routes to climb to the top of the mountain were opened and had become familiar to the general public as a site of religious devotion. Since then, many climbers from many countries have visited Mount Fuji.

Moreover, Mount Fuji has often been selected as the subject of paintings and literature. In one of its earliest appearances, the mountain was the subject of Japan's oldest anthology of poems, *Manyōshū* (The Collection of a Thousand Leaves), which was compiled in the 8th century. In the Edo era, from the 17th century to 19th century, Mount Fuji became more widely selected as a motif of paintings, literature, gardening, and handicrafts. In particular, it is said that Hokusai Katsushika and Hiroshige Utagawa, the world-famous *ukiyo-e* (woodblock prints) artists who painted pictures of Mount Fuji, had a big influence not only on Japanese art but also Western art.



"Gaifu Kaisei" by Hokusai Katsushika

Why don't you visit Mount Fuji and discover its fascinating influence and awe-inducing scenery?

Japanese Transportation News Roundup

Japan Airlines is making a major investment across virtually its entire fleet of planes flying both domestic and international routes, [building out near-universal Wi-Fi service](#) in order to compete with other airlines already offering much the same.

Mitsubishi Heavy Industries is looking to make its maritime offerings greener and more cost effective, [teaming with shipbuilders in Japan](#) to roll out a ship engine by 2018 that will improve overall fuel efficiency by roughly 10%.

Central Japan Railway hopes to entice the U.S. government with a [zero-dollar price tag on licensing its high-speed rail technology](#), with the aim of winning a contract for the first phase of a project that would connect much of the eastern seaboard of the United States.

As All Nippon Airways works to pull ahead of rival JAL by pivoting to a heavy focus on growing its international footprint, [company President and CEO Shinichiro Ito speaks to the company's strategy](#), explaining that ANA

is looking to rebuild Haneda Airport's status as a hub for travel throughout Asia, cut costs and take other measures to achieve its goals.

Leading Japanese car manufacturers Nissan, Toyota, Mitsubishi Motors and Honda are setting aside their rivalry and [teaming up to provide the funding and payment platform for charging stations](#) that would provide juice to electric vehicles throughout Japan.

After occasional choppiness in the recent past, all of the top three maritime shipping companies in Japan - Nippon Yusen KK, Mitsui O.S.K. Lines Ltd., and Kawasaki Kisen Ltd. - [are projecting solid bottom-line growth in fiscal 2014](#), sparked by economic recovery in emerging markets.

International tourism to Japan, particularly from Asian locales including Thailand, Malaysia, Taiwan and neighboring South Korea, is booming, yet it is not all aimed at the traditional Japanese tourist draws; areas that once drew few international tourists, such as Hokkaido and parts of Kyushu, are [becoming increasingly popular among visitors to Japan](#).

Suzuki Motor looks to win over emerging markets including India and certain Southeast Asian countries, where demand for fuel efficiency is surging, by [aiming to improve existing technologies to target gas mileage of 40 km per liter](#) for some of its vehicles.

With Japan's mini-industry of budget airlines proving less successful than its initial backers may have hoped, the sector is grappling with a notable problem: [A shortage of pilots and other skilled workers](#) is causing some budget airlines to scrap upcoming flights, among other issues.

Amid broader Japanese investment in the emerging markets of Southeast Asia, railway signal manufacturer [Nippon Signal will be building an automated fare collection system](#) for a new urban rail line in the Ho Chi Minh City, Vietnam, metropolitan area.

With ANA looking abroad for its future success, focusing on international routes for growth, the company is [launching an initiative to improve employees' English language skills](#), offering courses to bring less English-proficient staff members up to speed.

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



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