

## Opening Remarks

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### 1. Introduction

It is a great honor for me to be invited to the Conference on U.S.-Japan Cooperation in Transportation. So far, the Conference has held eight meetings to establish a cooperative relationship between Japan and the United States in the field of transportation. I am grateful to the Institution for Transport Policy Studies and its staff who set the themes and makes thorough preparations for each meeting.

Before taking up the theme for this meeting, I would like to express my sincerest condolences for the people who have lost their lives and those who are still missing due to that detestable terrorist attacks on September 11, as well as my deepest sympathy to their bereaved family and relatives, and the American people. I sincerely hope that the people of the United States will recover from this terrible wound as early as possible.

It really was an astonishing incident in that civil aircraft were used in the attacks. The threat of terrorists who would do anything to attain their objective poses various problems to the transportation sector which is based on the assumption of peace. Since transportation is an infrastructure of the world economy, it must be protected from such threats through the cooperation of the international community. Above all, it is extremely important for Japan and the United States, the two mainstays of the world economy, to take a cooperative initiative in dealing with this issue. Believing that “a long-time cooperative relationship will prove to be effective in times of emergency,” I have renewed my resolve to strengthen the cooperative relationship of the transportation authorities of Japan and the United States.

### 2. IT as a new force for growth

The main theme of this meeting is ITS and “how Japan and the United States, two advanced IT countries, should promote cooperation.” It seems to me that over the last one year the term “IT” has come to be used in a negative sense more often than in a positive sense. With the IT bubble having burst and stock prices slumping worldwide, intellectuals and the media term the current economic situation as “IT recession” or “Net recession.” But a closer look at the situation shows that it is characterized by (i) slowdown of demand for and excess supply of PCs, cellular phones, and other hardware – symbolic of this situation is the mass restructuring announced to be carried out by such leading Japanese IT vendors as NEC and Fujitsu – and (ii) the collapse of Internet-related service providers that failed to establish “profits model” – the area in Tokyo’s Shibuya district which was once called “Bit Valley” is now deserted.

Under continuous economic deterioration, Japanese companies are keen to revise their business strategy to be a winner of the new competition in this new age. In this context, their intention to employ IT based ERP (Enterprise Resource Planning), SCM (Supply Chain Management), and CRM (Customer Relationship Management) is strong and the solution

business provider is thriving. Nowadays, it could be said that businesspeople who do not understand IT are rare. This is not the only story of business. Public officials who can ignore IT are also becoming fewer. The “Establishment of e-Government” is one of the highly prioritized policies that budgetary appropriation can be allocated with stress in Kasumigaseki. Besides the short-term forecast, I believe few people could deny the impact of IT on the economy and society in the medium- and long term. We are now in the process of moving from the stage of “It is good just to employ IT” to the stage of “For what purpose do we employ IT?” We should realize that we are at the starting point of socio-economic reform, through a shift of thinking from “What can we do with IT?” to “Let’s use IT to achieve what we have not been able to achieve.”

### 3. Impact of ITS on the economy and the society

In this sense, ITS is an easy-to-understand project that helps us to actually feel the benefits of an IT society. ITS is understood as a new road traffic system that combine people, roads and vehicles using state-of-the-art information technologies.

Japan is limited in land area where over 120 million people live and with more than 70 million vehicles. As many as 9,000 people die every year in traffic accidents and the number of traffic accidents is exceeding 900,000 every year. If Advanced Cruise-Assist Highway Systems (AHS) were available, it should be effective in reducing about 80% of the accidents.

If Electronic Toll Collection System (ETC) and other ITS deployments were installed on expressways, it could eliminate about 70% of traffic congestion. We estimate that ITS will have an economic effect of alleviating of traffic congestion estimated to be worth 1.2 trillion yen (USD 100 billion) a year by 2015. Such an efficient system can be called an environmentally friendly traffic system. At present, 11% of fuel consumed by automobiles is wasted due to traffic congestion. By reducing congestion through ITS, we can reduce further NOx and CO2 emission. According to a trial calculation, if the speed of automobiles increased 2~6% in average, CO2 emissions would be reduced by 1.1 million tons.

Since ITS will be realized by the development of system infrastructures and distribution of terminal equipments, it is certain to create an enormous ITS-related market. Its cumulative market size of Japan from FY 2000 to FY 2015 is expected to reach 60 trillion yen (USD 5000 billion). If its effect on other industries is considered, this figure is about 100 trillion (USD 8330 billion) yen in FY 2015.

ITS also supports the promotion of public land transport in a more intelligent way. Japanese people are said to be impatient. The people who look up at the floor indicator in elevators with an air of irritation are said to be Japanese. In order to get such Japanese to use street buses whose operation schedules are often delayed due to traffic congestion, we introduced an assistance program for the operators to install electrical location systems, at bus stops, that indicate the location of the approaching bus. Now, with the use of GPS and cellular phones, that are easily available, we can provide detailed, real-time information on bus operation to users at a low cost. It will enable a user in a coffee shop to know whether he has to rush to the bus stop, walk to the stop at his leisure or be able to have another cup of coffee.

Moreover, the motivation to use state-of-the-art information technology will increase in order to realize new transportation services and traffic systems that could not be provided with existing technologies alone. This will lead to reform in the transportation networks, towards an “easier to use,” “safer,” “more efficient,” “more productive,” and “less environmental loads.” The introduction of IT into the transportation field is not limited to road transportation. IT will also be employed in other transportation modes, such as rail, air and marine transportation, and promises to lead towards the inter-Linking of these transport modes in line with the flow of passengers and goods. This will stimulate the creation of new businesses and markets. In this context, I believe in the tremendous and continuous magnitude of an emerging economy and society that will come about through the full scale of introduction of IT into the transportation field.

#### 4. Activities of the Ministry of Land, infrastructure and Transport

In Japan, the Ministry of Land, Infrastructure and Transport (MLIT) together with other related Ministries are aggressively promoting ITS in cooperation with each other. In 1996, we jointly prepared a “Comprehensive Plan for ITS in Japan”, a master plan on ITS in Japan that incorporates our views, from users standpoints, clarifies targets of the functions as well as the long-term vision for a systematic and efficient development. The master plan identifies nine development fields to be achieved by 2015, including support for public transportation, increasing efficiency in commercial vehicle operations, as well as the Vehicle Information and Communication System (VICS), ETC, and AHS. In 1999, we drew up the “System Architecture for ITS in Japan” as a basic plan in cooperation with related ministries. A national strategy to transform Japan into one of the most advanced IT nations, called “e-Japan Strategy”, also highlight ITS as a key project.

We, at MLIT, play a central role in ITS and are aggressively promoting it as one of our focused projects both from the aspect of road infrastructure and motor vehicles. With regard to road infrastructure, we are promoting the development of the “Smartway,” a next-generation road equipped with a road-to-vehicle communication system, different types of sensors, fiberoptic network, etc. The VICS provides road traffic information, such as traffic congestion, to car navigation equipment in a real time base. 3.17 million VICS units have been shipped and installed in car navigation equipment. At present, approximately 40% of car navigation equipment is VICS compatible. We intend to expand the areas provided with VICS information service nationwide and enrich the contents of the road information to be provided. As to the AHS, that supports safe driving by road-to-vehicle communication by providing drivers with information on the danger ahead and assistance for driving to prevent collision and lane departure, we will conduct proving tests on some expressways by the end of 2003. As to the ETC, we plan to install the system in about 900 major toll gates out of 1,300 by the end of FY 2002.

With regard to automobiles, we are promoting R&D of the Advanced Safety Vehicle (ASV) under the concept of the “Smart Cars” in cooperation with the private sector and academics and plan to link it with the “Smartway”. As to public transportation, we are conducting proving tests of (i) monitoring bus locations using GPS and wireless communications network to ensure efficient transportation management, (ii) providing real-time monitoring of taxi locations, their occupancy status and destinations to the taxi dispatch

center, utilizing the GPS together with Automatic Vehicle Monitoring System (AVM), (iii) monitoring vehicle locations and cargo load status by employing an onboard car navigation system for drivers, and a wireless communication network at the office. In addition, as digital infrastructure for ITS, we will conduct proving tests of the “Smart Plate,” an automobile number plate with an embedded IC chip to store information on individual vehicle and identify the vehicle, by the end of 2003.

From the standpoint of introducing IT to all of the public transportation services, we will promote the development and installation of application systems that is consistent with the flow of passenger and goods and enhance services. While keeping in mind such facilities as airports, harbors and stations, we will promote by type of mode, by type of services, or a combination of both that combine intelligent vehicles, ships, and aircraft, in cooperation with the private sector and academics.

## 5. Conclusion

Nobody has full story of our future society to be created by IT. The *i-mode*, which is now well known worldwide, and other Internet-linked cellular phones are used by over 40 million people in Japan. This means one out of every three persons now uses a cellular phone and, in the past one year, the number increased three fold. The use of other new media, such as smart cards, is also increasing. With the advent of the fast-speed broadband, it is said that we will enter the era of ubiquitous computing. Information technology is making rapid progress and spreading widely among the people with not at a speed of “dog years” but “mouse years.” By making use of IT infrastructures, various applications that will change business and life style will be invented and the transport system will incorporate IT more widely and deeply. I imagine that there will be various trials and errors in the process.

With that in mind, I would like to conclude my speech by mentioning two things.

First of all, since ITS is being promoted on a global scale, international cooperation is necessary. As well as promoting, in a cooperative manner, the activities in ISO and other forums for standardization, it will be useful to discuss ideas regarding future design of cooperation between ITS and other modes at various levels of the government, industry and academia between Japan and the United States.

Secondly, we should promote the sharing of experience concerning successful examples. ITS cannot be achieved “overnight.” I think it will evolve through a trial and error process, both at the application development phase and installation phase, with an amount of effort from every stakeholder. As we are still in the enfant stage of developing an IT society, I firmly believe that sharing experiences of successful examples will greatly contribute to the acceleration of the introduction of ITS throughout the world. I strongly hope that Japan and the United States will deepen our good relationship on this issue, as well as others, and complement each other to show the best practices to the world.

Thank you for your attention.