



- Japanese Railway Policy and the Roles of Railway Operators –



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Part 1

Outline of Railways in Tokyo Metropolitan Area



Station of Metro



Station of JR East

Three Major Types of Railways in Tokyo Metropolitan Area

1) JR Lines



2) Metros



3) Private Railways*

*: JV (private & public) is included



Tokyo has some types of railway operators, such as JR, Metros, and private railways.

Railways in Tokyo

Tokyo Metropolitan Area

Short-distance



Medium-distance



Long-distance



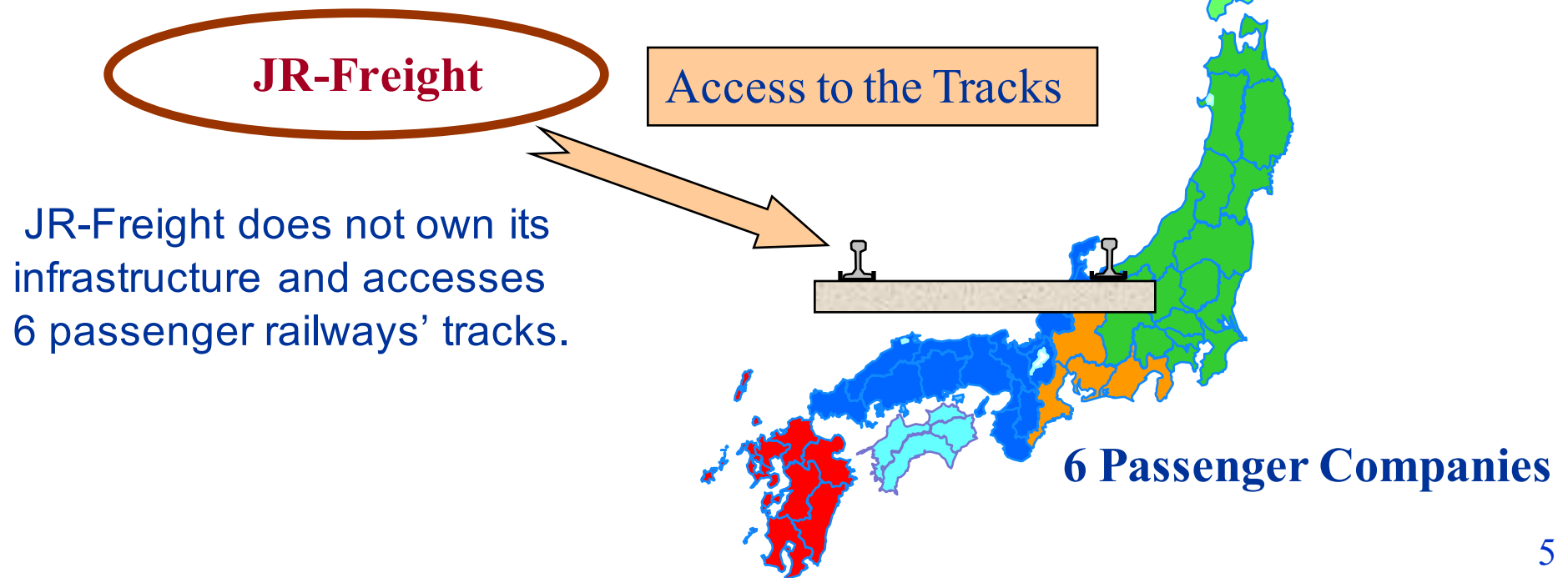
Combined Utilization

Competitiveness against Cars

1) JR Lines

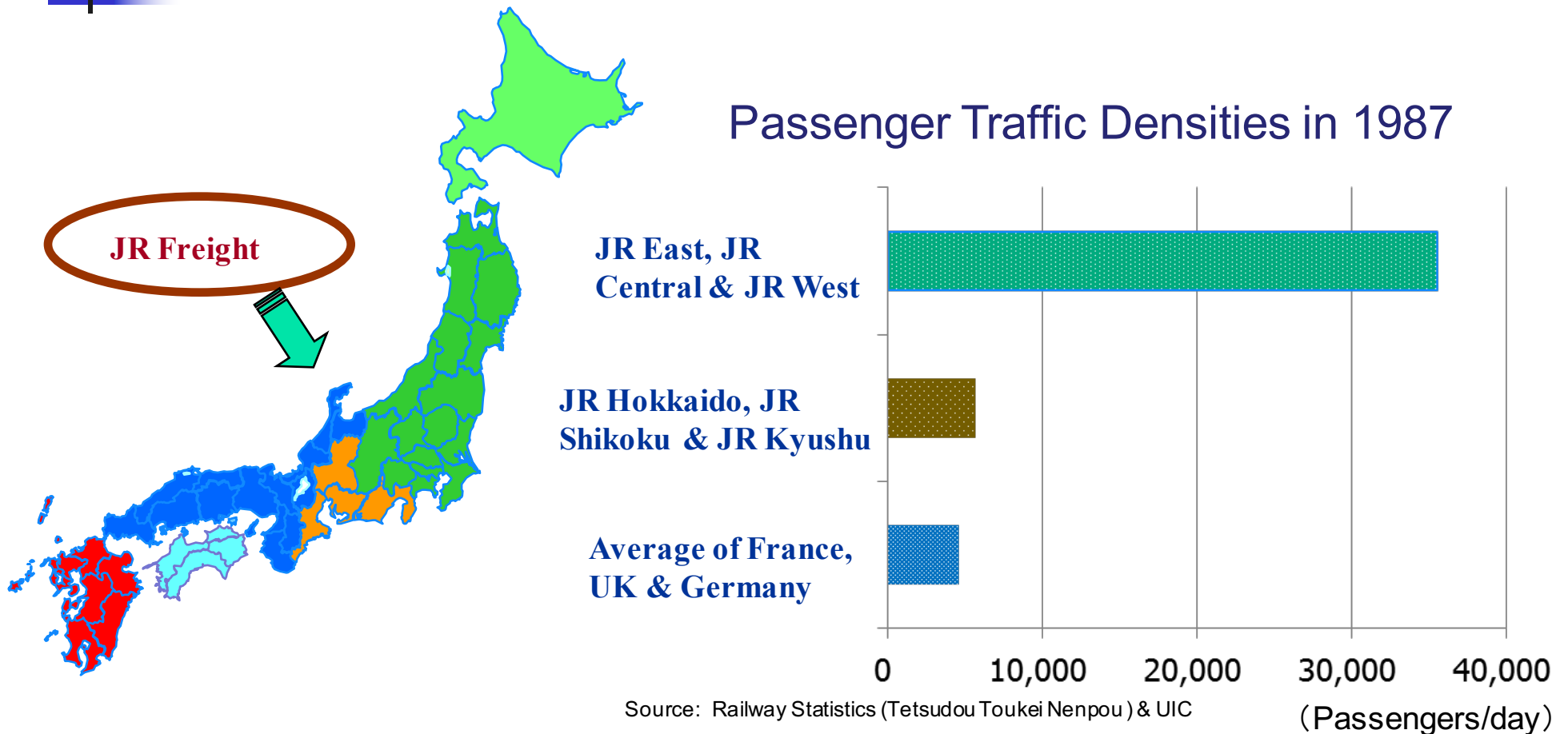
JNR Reform in 1987

JNR was divided into 6 regional passenger railway companies and a single nation-wide freight company.



1) JR Lines

Outline of the JNR Restructuring



Outline of JNR Reform can be referred by the following article available from World Wide Website.
Kurosaki (2016) Reform of the Japanese National Railways (JNR)

1) JR Lines

Trains & Station of JR East



Chuo Line



Tokyo Station

Outline of JR East can be found by the Home page: <http://www.jreast.co.jp>

2) Metros

Trains & Station of Metros



A train of Tokyo Metro
(Changing drivers for through train operation.)



Tochomae Station
(Station in front of Tokyo Metropolitan Gov.)

Metro systems in Tokyo are operated by Tokyo Metro and TOEI Subway.
Their outline can be found in the following home-pages.

Tokyo Metro : <http://www.tokyometro.jp/index.html>

TOEI Subway: <https://www.kotsu.metro.tokyo.jp/subway/>

3) Private Railways



Railway Lines of Private Railways

- ✓ Several private passenger railway companies operate in Tokyo metropolitan area.
- ✓ These railways own the infrastructure and maintain it through the revenue from the passengers.
- ✓ 8 large-scale private passenger railways cover more than 1200km track in Tokyo metropolitan area and transport about 13 million passengers. (source: MLIT (2016) "Railways 2016 in terms of Figures")
- ✓ These railways play an important role for commuting between suburb and CBD in Tokyo metropolitan area.

Transportation IC Card



A single card can be effective for JR, Metro, and private railway lines. It is also effective for buses and other related shops and services.

Part 2

Construction & Operation of Japanese Railways





Construction of Rail Network in Tokyo

JR Lines

- ✓ Railway network was already developed when JNR was reformed in 1987.
- ✓ In general, projects for upgrading are carried out by the finance of JR companies since JNR reform.
(In some cases, public finance is also utilized.)

Private Railways

- ✓ The network has been developed by private sector's investment without receiving subsidy.
- ✓ The railway companies constructed the lines along with land development, and rail operation and real estate development businesses improved in positive growth cycle.

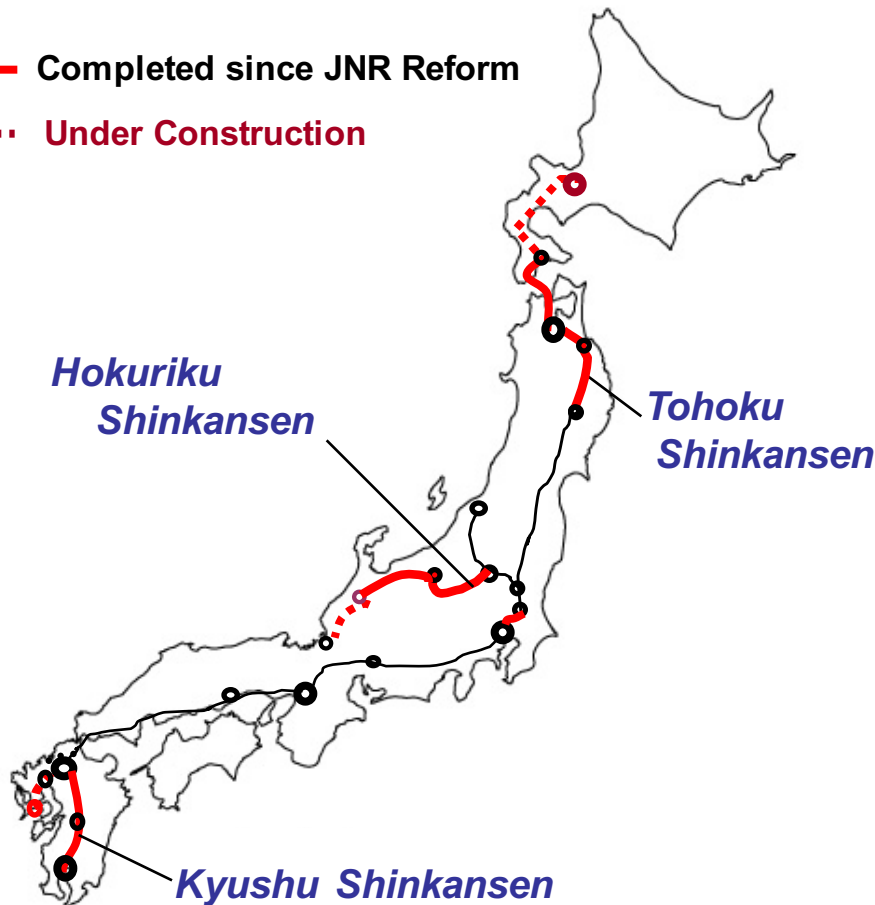
1) JR Lines

Construction by Vertical Separation (1) New Shinkansen Lines

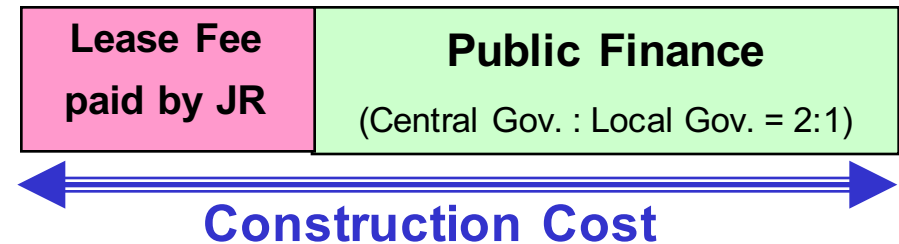
<New Shinkansen Lines>

— Completed since JNR Reform

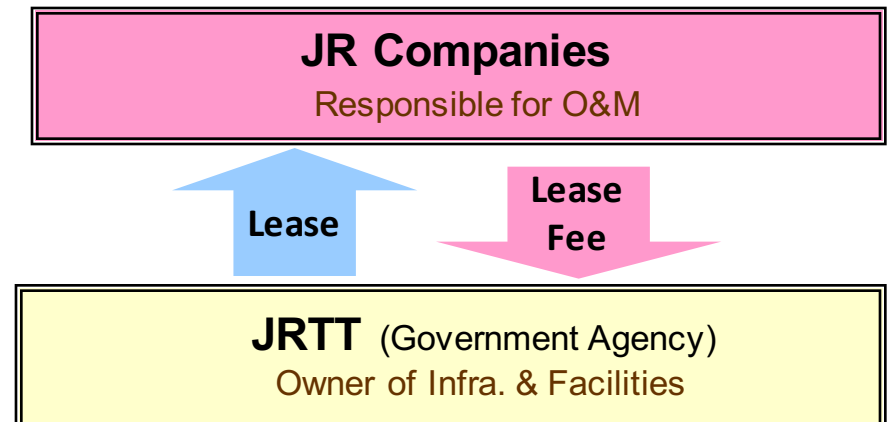
..... Under Construction



1. Construction: Public Works



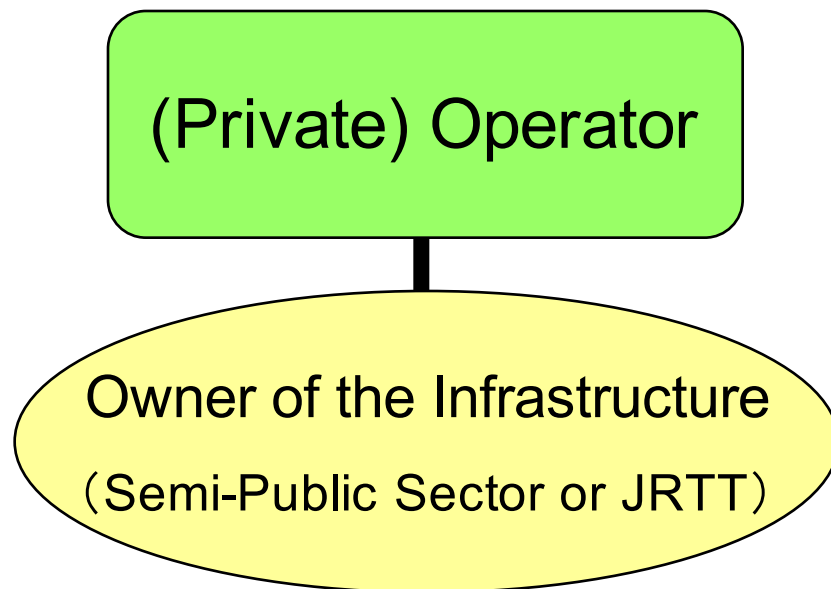
2. Operation: Vertical Separation



Construction by Vertical Separation (2)

Act on Enhancement of Convenience of Urban Railways

The act is valid for constructing missing links and terminal station facilities.



1. Construction: Public Works

Owner of the Infrastructure 1/3	Central Government 1/3	Local Government 1/3
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Construction Cost

2. Operation: Vertical Separation

(Private) Railway Companies
Responsible for O&M



Lease

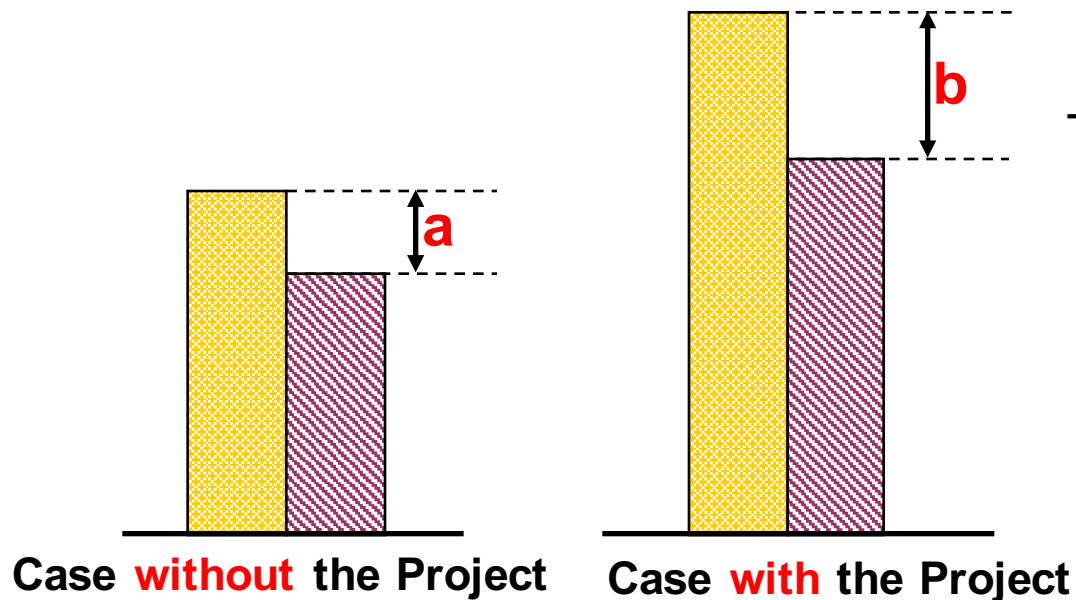
Lease Fee

Semi-public Sector or JR TT
Owner of the Infrastructure

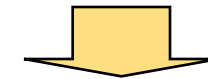
Track Usage Fees

The concept is applied to both New Shinkansen Lines and the Act.

-  : Expected Revenue
-  : Expected Expenses



Usage fees of the new infrastructure planned by the project



The amount is calculated based on “b-a”

*Benefits received as an operator
of the new infrastructure*

(Calculation Period) 30 years old

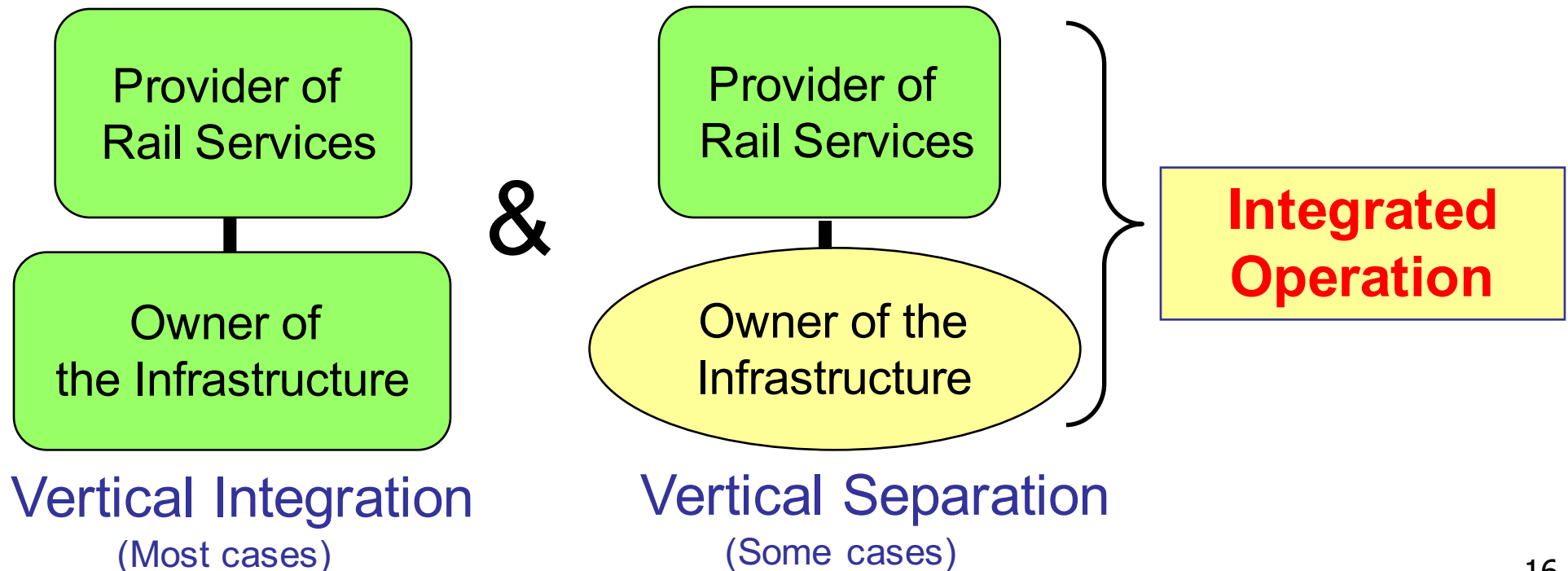


The operator neither gains nor
loses through the project.

Vertically Integrated Operation

Characteristics of Passenger Railway Operation in Japan

On each section, a single operator is responsible for the railway operation.



Competition in the Rail Sector in Japan

- 1) Competition with other modes of transport *Exists*
- 2) Competition between the tracks *Exists*
- 3) Yard-stick competition / Profitability competition *Introduced*
- 4) Competition for the Market (Competitive Bidding) *So far a few cases*

✓ *Rail companies can keep an **integrated operation**.*

- 5) Competition in the Market (Open Access/On-track Competition)
Is not introduced in Japanese market

✓ *Rail operation will be **separated**.*

1) JR Lines

Affiliated Businesses by Railways

- ✓ Private railways have been actively promoting affiliated businesses.
- ✓ Business scope was limited during the era of JNR. However, JR companies started to promote the affiliated businesses since JNR reform in 1987.



A office building beside Shinjuku Station



Shops in the Station



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Thank you

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