

## Aviation policy in a new age and the foremost line of study on airports

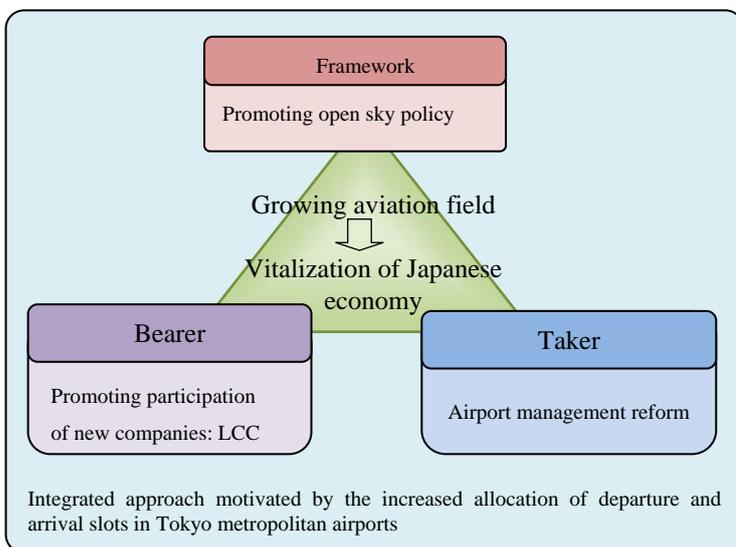
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### 1. Three aviation and airport policies in an integrated manner

Today, it is the biggest challenge in our aviation policy to pursue implementation of three combined policies ‘Open sky’, ‘Promotion of LCC entry’ and ‘Airport management reform’. By promotion and realization of these three policies mutually and in parallel, the aviation policy in an integrated manner shall aim at growth of aviation field and contribute to economic revitalization in Japan. The fact that airport capacity in Tokyo metropolitan area had long been a bottleneck of our aviation policy has largely expanded and accordingly it has become possible to shift a policy from regulation administration based on restricted capacity to open sky is behind the realized promotion of these policies.



### 2. Movement of airport capacity expansion in Tokyo Metropolitan area

At Haneda Airport, development projects such as construction of additional runways, extension of terminals offshore have been executed in stages and continuously, but, it was unable to meet the active demand for air transportation over-concentrated to Tokyo metropolitan area. As a result, while lessening flight frequencies, large aircrafts have been maintaining mass transportation between Haneda and other airports all over the country, and in this way,

domestic airline network unique to Japan has been developed. In addition, at local airports, runway extension projects have been executed one after another to make available services of large aircrafts with the aim of securing transportation capacity with Haneda Airport. While world aviation market has been downsizing and increasing flight frequencies, Japanese air network has been making a unique development due to the bottleneck at Haneda Airport. However, in October, 2010, the fourth runway (D runway) was offered for use marking the beginning of resolution of demand-supply bottleneck. Opening of D runway has realized capacity expansion of domestic airlines and departure and arrival slots were allocated to international airlines. As a result, regular international flights which have been suspended since opening of Narita Airport were to resume. Continuously, while airport control is planned to be oriented, capacity will increase in stages and finally, it is scheduled to increase capacity by 90,000 times/Y compared to the capacity before the use of D runway reaching to 447,000times/Y.

Expansion of annual arrival and departure slots in Tokyo metropolitan area airports (Haneda, Narita).

	Slots in Haneda (for international)	Slots in Narita	Total slots
Until Oct, 2010: (before use of D runway in Haneda)	303K	220K	523K
Current: (after Mar 25, 2012)	390K (60K)	250K	640K
Applicable from 2013 summer flight schedule: (after Mar 31, 2013)	410K (60K) 20K expansion for domestic flights	270K	680K
From then onward, implementation of open sky in Tokyo metropolitan area airports			
Final form: (Haneda: End fiscal 2013) (Narita: Within fiscal 2014)	447K (90K) 30K expansion for international flights	300K	747K

On the other hand, Narita Airport has long been operating with one runway because of the unfortunate history of struggle at the time of planning and construction. During this period, while Asian neighboring countries opened international gateway airports in succession, Narita Airport was compelled to operate extremely inferior facilities. Finally, second

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runway was extended to 2,500m in 2009, and based on local consent after that, separate operation of two runways has become possible and it is scheduled to expand capacity to a large extent.

As a result of concurrent progress of capacity expansion of these two airports, airport capacity in Tokyo metropolitan area has expanded to 747,000 times/Y and international standard airport capacity has been provided in Tokyo metropolitan area at last.

### 3. Development of Open sky (airline deregulation) policy

As there is hope for capacity expansion of Haneda and Narita, the conventional bottleneck of air transportation in Tokyo metropolitan area is to be swiftly broken and Open sky (airline deregulation) policy is to be implemented taking this opportunity. Although Open sky has been called for in the past, it has explanatory remarks to exclude Tokyo metropolitan area which has the most active demand and therefore it was unavoidable to be pointed out that open sky policy had little effectiveness.

Against a background of capacity expansion in Tokyo metropolitan area, open sky policy is to be realized in reality and in name. Airline companies have long been under strict capacity restriction, but now they have a chance to revitalize under a new open sky policy and to obtain benefits from active economic growth of foreign countries including Asian countries and it is expected to lead to sustained economic growth of our country.

### 4. Promotion of new entry of company such as LCC

Next, regarding airline companies as leaders of aviation policy, it is an issue to develop new entries such as Japanese LCC (Low Cost Carrier) that entered in 2012 in succession under a fair competitive environment. LCC is creating demand from segments of society who have never used air transportation using a new business model different from conventional airline companies and they are expected to become the engine of air transportation growth. Accordingly, to support them, the government takes aggressive policy to promote new entries of LCC by developing policies to review technical regulations and to prepare dedicated terminals. Currently, the share of LCC is about a mere 2%, but a policy target is to increase it to 20 ~ 30% in 2020.

### 5. Promotion of airport management reform

Furthermore, regarding airports as policy taker, airport management reform shall be promoted for effective airport operation. Landing fee revenues at 28 airports managed by the government is collectively managed, and it has been pointed out that the government lacks in local sense and management sense. Also, a lack of viewpoints of integrated management of airports caused by separate operating body, namely, runways, etc. (government) and airport

buildings (private), has been a problem.

Accordingly, it is planned to improve legal systems to enable to integrate management by private companies corresponding to the actual local situation and to promote airport management reform. By doing this, it will be possible to provide new options to airport management.

### 6. New aviation policy and measures to be taken by research institute

At the Airport Department, in consideration of the new trend of aviation policies mentioned above, we are conducting research issues conforming to needs of aviation administration.

For example, while using frequency of airports in Tokyo metropolitan area is increasing and physical restrictions of facility maintenance is becoming more strict, it is imperative to develop technologies to prevent worrying troubles such as peel-off of runways and to develop methods for efficient and effective maintenance and inspection in less time.

In addition, taking share expansion by LCC into consideration, we are conducting study regarding analysis of demand for air transportation and policy simulation and also examination on maintenance of airport facilities on the premise of LCC services.

Furthermore, taking it into consideration that privatization of airport will be making progress in the future, we believe that it is an important issue to construct a system to share know-how of airport facility maintenance system possessed by the government with airport administrators.