

Part II: Trends in MLIT Administration

Chapter 1: New MLIT Policies accommodate the Needs of the Times

[Result-oriented policy initiative]

- Implementing policies based on performance

MLIT implements its policies based on its performance that has been assessed in their plan-do-check-action-cycle (PDCA cycle). With regard to the indicators identified in the Priority Plan for Social Infrastructure Development, MLIT has conducted follow-ups, announced their findings and reflected them in its budgetary request of FY2006.

- Promoting policy assessment and strict implementation of project evaluation

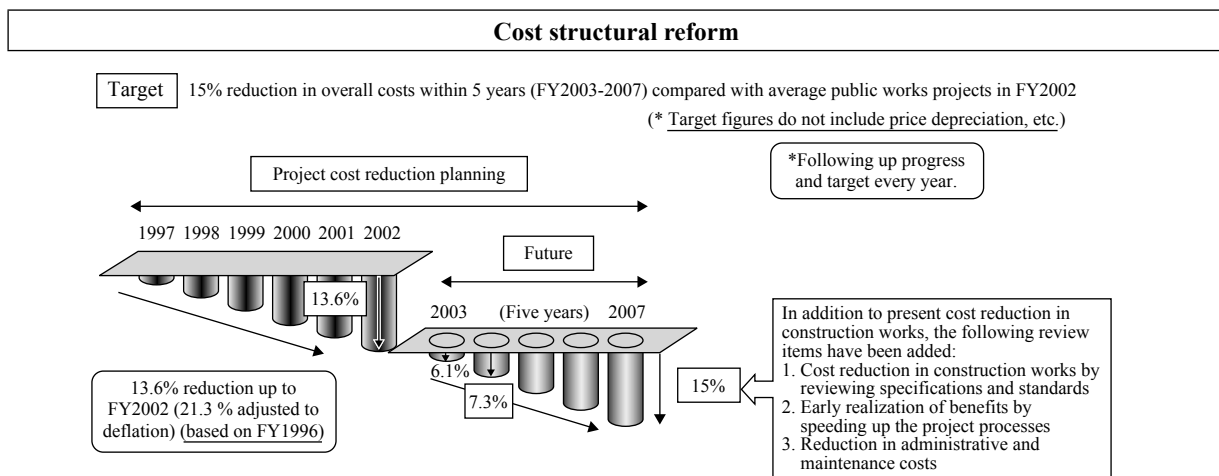
Under its policy evaluation basic plan, MLIT implements policy assessment (ex ante valuation), policy checkup (performance measurement), and policy review (program evaluation).

The project evaluation system for individual public works projects is already in place that integrates evaluation at project approval, reevaluation, and ex-post evaluation after project completion. From FY2004 onward, MLIT maintains and releases project evaluation records that describe the results of a series of evaluations.

[Efficiency and competitiveness-oriented policy initiative]

- Promoting reform of the cost structure of public works projects

MLIT is reviewing the whole processes of public works projects in terms of cost reduction under the ministry's "program of cost structural reform on public works projects." This review is aimed at speeding up the project processes, optimizing the all processes from planning to maintenance, including procurement, in addition to present cost reduction policies. MLIT reduced the total costs by 7.3% in FY2004 over the previous year.



- Promoting public purchase with emphasis on technological capabilities

In public works it is crucial to allow for sound competition under evaluations of not only price but also technology and quality. To that end, the "Law Concerning the Promotion of Quality Assurance in Public Works Projects" was enacted in April 2005. MLIT is working to expand the integrated evaluation system, having put together the "Guidelines to Promote Quality Control in Public Works Projects under MLIT Jurisdiction" in September of the same year.

- Ensuring appropriate biddings and contracts

In light of the recent large-scale case of bid rigging in the bridge construction industry, MLIT took concrete measures for order placement for construction on the upper portion of steel bridges under the direct control of the ministry. These measures included modifying the bidding system to enhance competitiveness and reinforcing oversight of the bid contracting process.

MLIT is also making efforts to promote the reformation and proper adjustment of the bid contracting system, such as making more thorough the "Law Concerning the Promotion of Proper Bidding and Contracting for Public Works," which includes local authorities.

○ Making better use of the existing infrastructure stock

MLIT is committed to making better use of the existing infrastructure stock for better service delivery. For more efficient and effective management of such stock, the ministry promotes the use of an integrated assess management approach.

<Examples of the effective use of the existing infrastructure stock>

○ Promoting ETC on the Tokyo Metropolitan Expressway to alleviate congestion

For example, the introduction of the electronic toll collection (ETC) system at tollgates on the Tokyo Metropolitan Expressway almost dissolved traffic congestion.

(ETC utilization rate: 4.5% Congestion: 45.2 kilometer-hours/day [October 2002])

→ (ETC utilization rate: 59.8% Congestion: 4.3 kilometer-hours/day [October 2005])

* Amount of traffic congestion starting at toll booths

○ MLIT focused on improving both the maintenance and operation of all government buildings properly and efficiently, in order to achieve a longer life of the existing buildings and to reduce costs in the life cycle.

○ MLIT promoted the formation of broad-based railway networks through: the construction of lines that connect existing lines and the improvement of existing train stations for through services between different lines.

○ Reform of quasi-governmental corporations

The four highway-related public corporations were privatized in October of 2005, and six private businesses and one independent administrative institution were established. It has also been decided that the Government Housing Loan Corporation will be abolished in April of 2007 and a new independent administrative institution that provides securitization support services will be established in its place.

[New partnership between the central government on one hand and local governments and the private sector on the other]

○ New partnership between the central and local governments

The central government is pressing ahead with reform that will lead to the transfer of tax revenue sources to local governments. MLIT, for its part, has been reviewing state subsidies so that local governments can enjoy more autonomy. The ministry is also phasing in flexible standards that allow for local governments to make appropriate choices in light of local realities (introduction of local rules).

○ Utilization of the private sector's creativity and ingenuity

MLIT is committed to promoting the private finance initiative (PFI). As of December 2005, a total of 44 MLIT-related PFI projects were in the works. In FY2005 the ministry also newly established the "MLIT Regulatory Reform Overhaul Headquarters," which is working toward the promotion of further regulatory reforms, including overhaul of regulatory reforms relating to MLIT administration. In addition, the ministry is promoting special zones for structural reform. MLIT is allowing 11 regulatory exceptions, which were originally applied in such zones, to be applied nationwide.

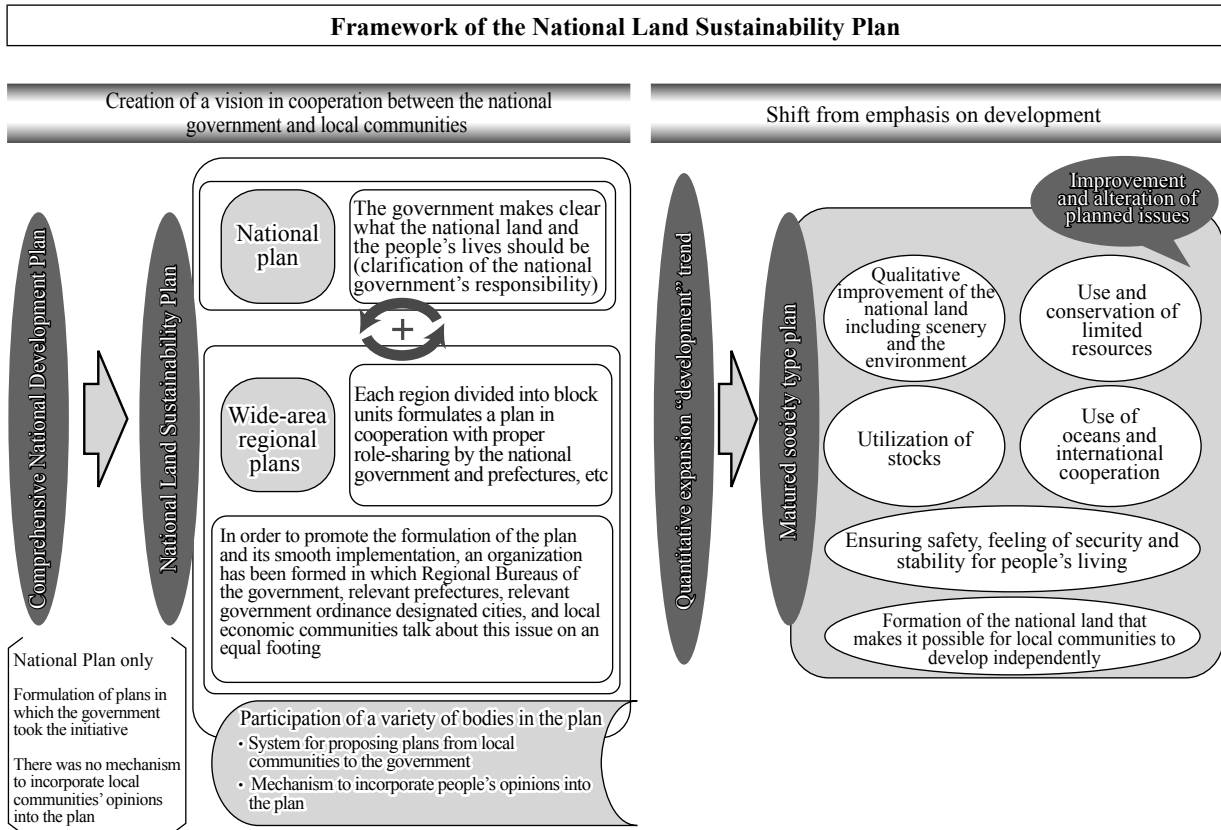
○ Providing more open and interactive services

In implementing infrastructure development, it is important to win the understanding and support of local communities. To that end, MLIT has formulated the "guidelines on public involvement procedures in the planning phase of public works projects under MLIT jurisdiction." A total of 75 public works projects had been implemented in accordance with these guidelines as of the end of December 2005.

Also a monthly average of over 1200 comments have been sent in since the ministry opened the MLIT Hotline Station. The idea was to gain a broad view of the people's comments, requests, and other input to more directly serve the general public.

[Formulating a national land sustainability plan]

Based on deliberation by the National Land Sustainability Council, the “Comprehensive National Land Development Act” was radically revised and in July 2005 the “National Land Sustainability Plan Act” was established. The national plan is set to be formulated in the middle of 2007, with the wide-area regional plan scheduled to be formulated a year after that.



Notes: In addition, effort is made to re-construct national land plans that are understandable for the people by making the land plan structure simple and integrated. Specifically, this includes integrated formulation of the plan and the National Land Use Plan, rationalization of plans related to the development of metropolitan areas, abolishment of local development promotion plans, and other measures.

[Promoting MLIT policies to accommodate the concept of universal design]

With forecasts of upcoming social issues like the full-scale emergence of an aging society with fewer children and depopulation, the concept of universal design – flexible and easy-to-use design for anyone, anywhere – is more important than ever. MLIT consider it necessary to build on its traditional barrier-free policies and put the concept into practice in city planning and transport design. To this end the ministry formulated the “Policy Outline on Universal Design” in July 2005.