

Transforming Local Public Transportation :

An Emergency Reform Proposal

Length of Discontinued Bus Routes



<https://www.tb.mlit.go.jp/kanto/content/000369729.pdf>

Bus stop
discontinued



Japan Transport and Tourism
Research Institute (JTTRI)

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1. JTTRI's Emergency Proposal



On June 30, 2025, JTTRI issued an emergency proposal presenting 27 reform measures for transforming regional transportation.

As the very existence of regional transportation services is at risk, threatening the realization of a sustainable society, JTTRI issued this emergency proposal to call for immediate action.

To advance legislation, formal requests were submitted to the **then MLIT Minister Nakano** (September 2025) and the **then Prime Minister Ishiba** (October 2025).



2. The Need for Transforming Local Transportation

Problem Statement

Local transportation is essential social and economic infrastructure and should be supported as **a public responsibility** rather than viewed solely as a commercial business.

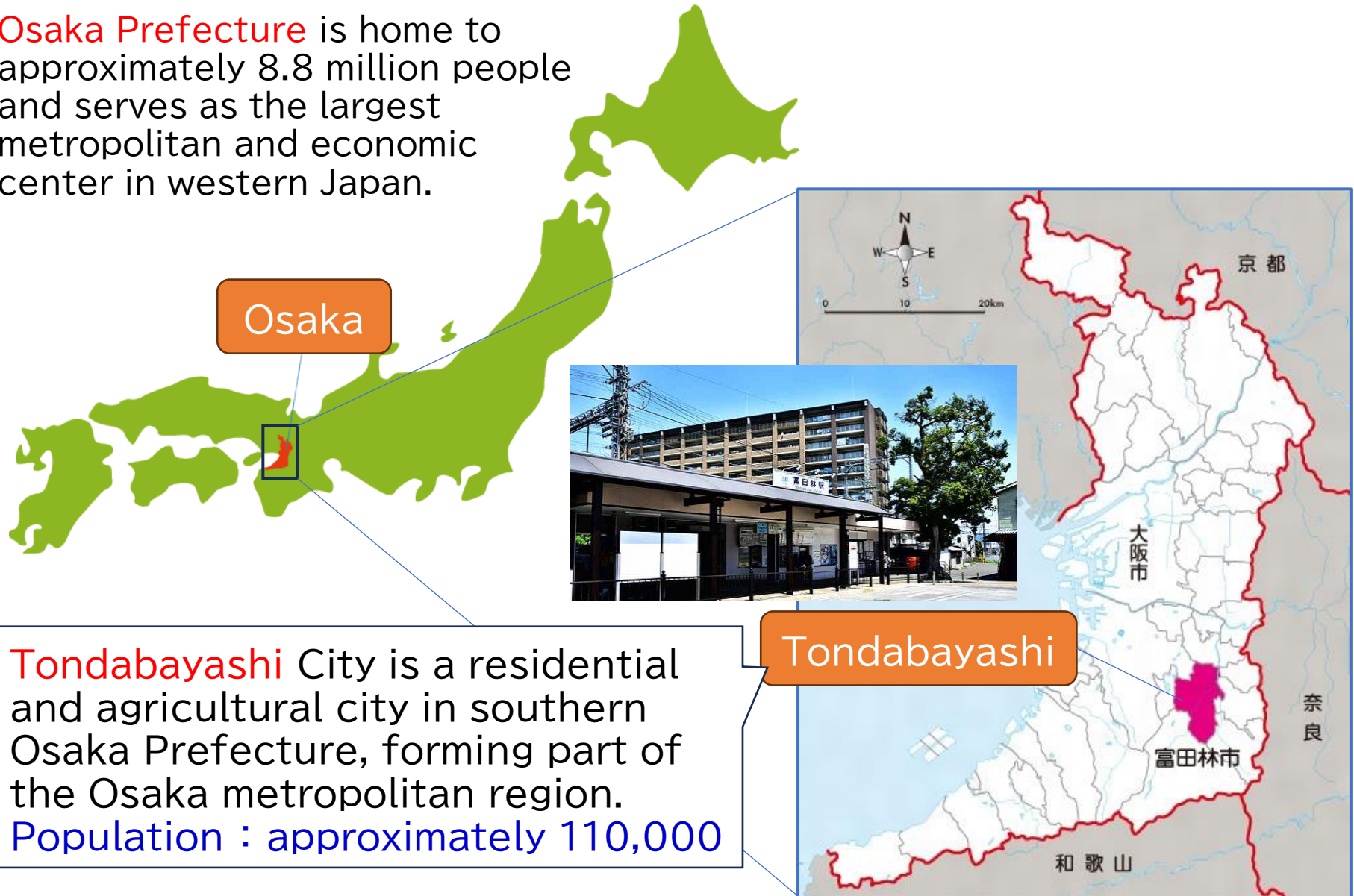
But... Most public local transportation in Japan is operated by private operators.

- Population Decline & Aging
- Declining Passenger Demand
- Financial Deterioration of Operators
- Severe Driver Shortage
- Reduced Service Capacity Due to Stricter Working Hour Regulations

Local transportation is facing an **existential crisis**, resulting in a serious decline in residents' quality of life(QOL).

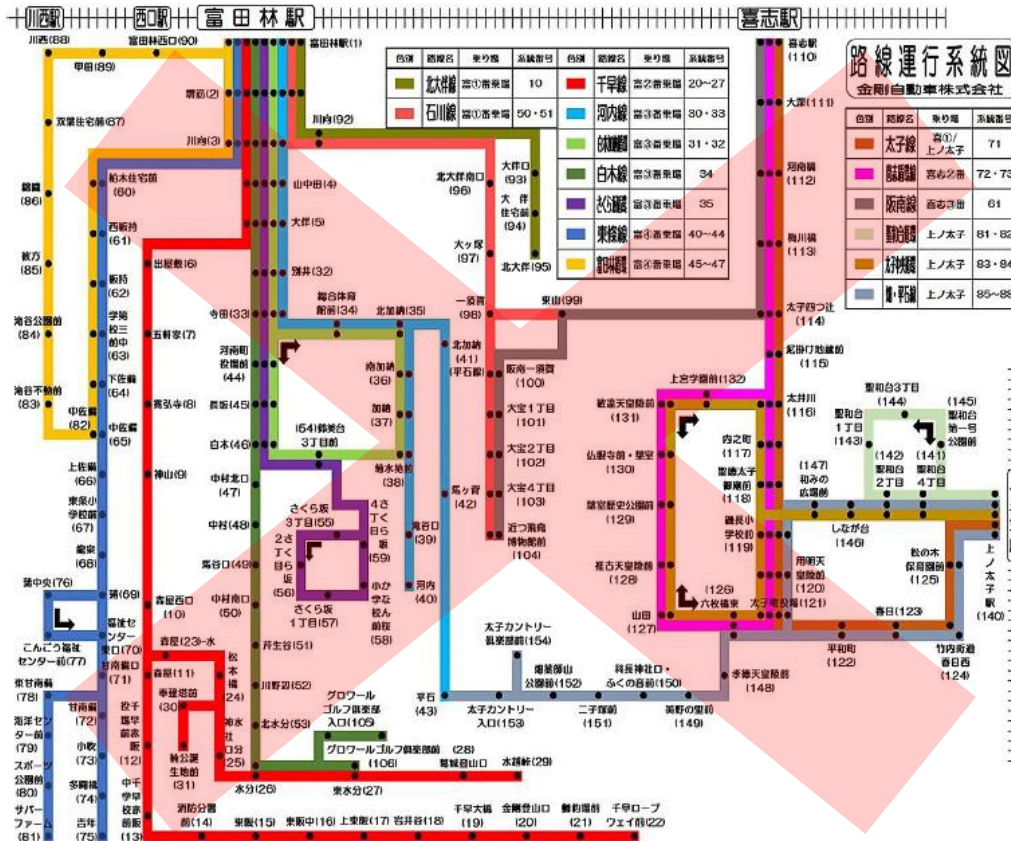
3. Local Transportation Crisis : Case Study 1

Osaka Prefecture is home to approximately 8.8 million people and serves as the largest metropolitan and economic center in western Japan.



Tondabayashi City is a residential and agricultural city in southern Osaka Prefecture, forming part of the Osaka metropolitan region.
Population : approximately 110,000

Termination of Bus Services in December 2023



- All Bus Route Closure (Dec. 2023)**
- A private bus operator serving southern Osaka Prefecture, **discontinued all 15 routes** in December 2023
 - Driver shortage and rising operating costs
 - Significant impact on local mobility in southern Osaka



- Other operators took over services, preserving 10 of the 15 routes.
- However, route reductions and fewer bus services have raised concerns about future sustainability.

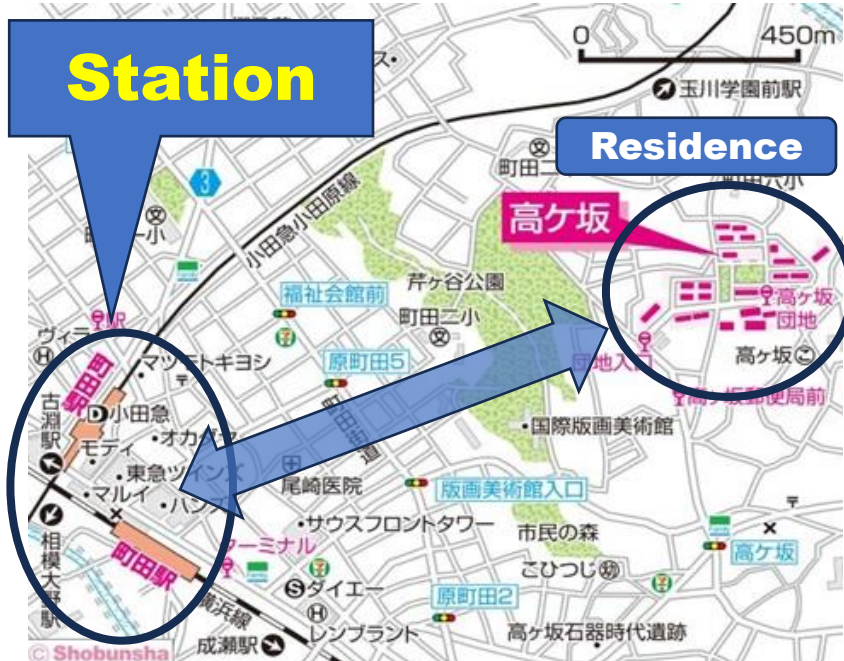
3. Local Transportation Crisis : Case Study 2

Residence



Machida

Station



- 20-25 min walk from the station
- Poor walkability for older adults: steep slopes and many stairs.



Significant Decline in Bus Service

hr	2009	2026
05	51	50
06	14 27 39 48 56	05 20 35 50
07	06 12 18 26 36 42 54	05 15 25 35 45
08	01 10 14 25 32 43 56	00 20 40
09	06 26 46	02 17 32
10	11 31 54	02 32
11	23 52	02 32
12	21 48	02 32
13	17 48	02 32
14	21 44	02 32
15	07 31 49	02 32
16	16 36 54	02 34
17	09 24 41 53	02 34
18	04 17 28 41 54	03 35
19	05 18 28 40 57	45
20	12 46	35
21	36	
22	28	

58 run
/day

36 run
/day

Approximately
↓ 40%



4. Why Has Regional Public Transportation Fallen into Crisis?

Around 2000~

Transport Market
Liberalization

Population Decline
& Aging Society

Motorization
(Car-dependent Society)

Declining Public Transport Demand



Financial Deterioration of
Transport Operators



Reduced Transport Service Capacity



Route Reductions and Service Cuts



Regional Mobility Crisis

2024~

Stricter Working
Hour Regulations



Driver Shortage

Therefore, institutional reform — not merely operational improvements — is required.

5. Bus Deregulation in Japan (2000)

Overview of the Reform

- Abolition of demand-supply adjustment regulations for local bus services
- Shift from a licensing system based on market demand to a permit-based system
- Relaxation of market entry and exit regulations

Achievements

- **Greater managerial flexibility for bus operators**
- **More efficient route restructuring in response to local needs**
- **Expansion of diverse transport services, such as community buses and demand-responsive transport**
- **Improved operational efficiency through the review of unprofitable routes**
- **Increased collaboration between local governments and transport operators**

Emerging Issues

- **Reduction and discontinuation of unprofitable routes, particularly in rural areas**
- **Accelerating ridership decline and bus driver shortages**
- **Growing disparities in public transport accessibility across regions**
- **Reduced mobility options for elderly people, students, and other transport-dependent groups**
- **Increasing dependence on financial support from local governments**

Increased Competition +
Improved Efficiency

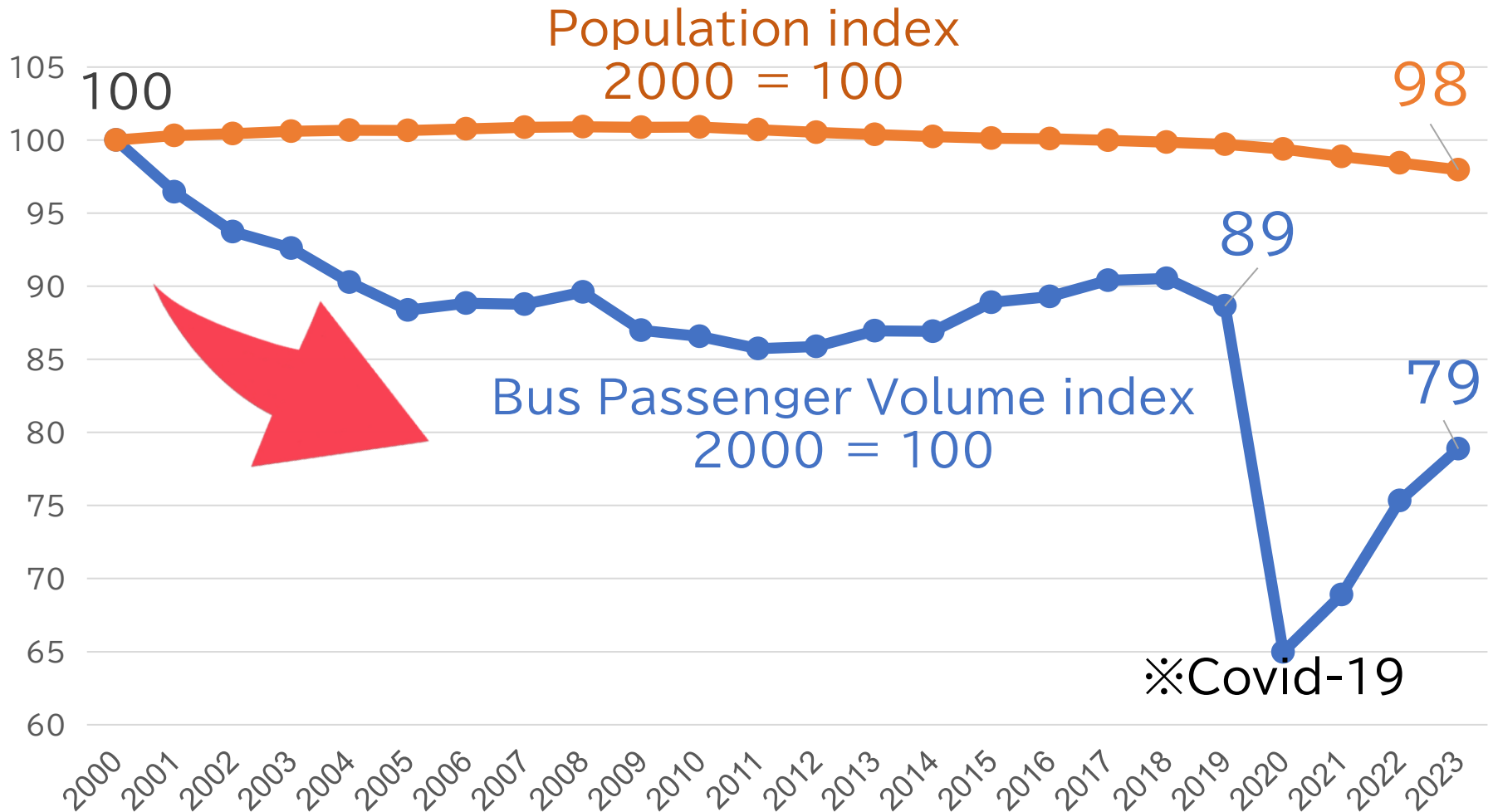


Decline Passenger Volume +
Service Reduction

Sources: MLIT, White Paper on Land, Infrastructure, Transport and Tourism (<https://www.mlit.go.jp/en/statistics/white-paper-mlit-index.html>);
MLIT, Regional Public Transportation Handbook (https://www.mlit.go.jp/jidosha/jidosha_tk3_000023.html)

6. A Sharp Decline in Local Transportation Users

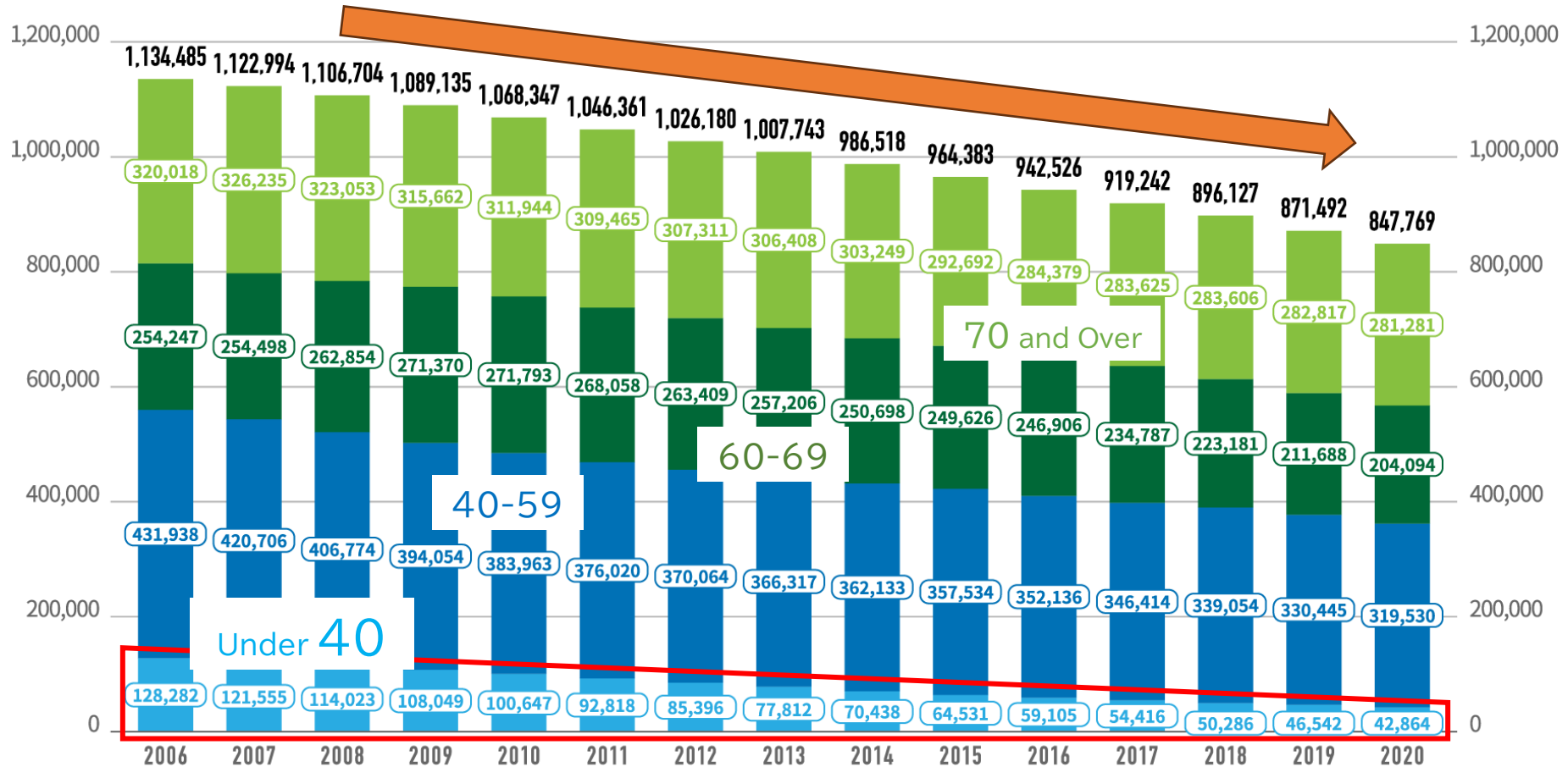
- Although the population decline is slight, the number of bus passengers has decreased significantly.



Source: Ministry of Land, Infrastructure, Transport and Tourism “Automobile Statistics 2025”

7. Severe Driver Shortage

- The number of drivers **under 40** has fallen by one-third over the past 15 years.



Source: Japan Bus Association
<https://www.bus.or.jp/nobus/>

8. Core Principles of the Emergency Proposal

From “Transport Business” ➡ To “**Social Infrastructure**”

Category	Recommendations
Vision for the Future Institutional Framework	From the perspective of improving quality of life (QOL), comprehensive institutional reform is required to ensure both the sustainability of transport services that respond to local mobility needs and the stable provision, maintenance, and continuity of such services.
Fundamental Principles	Regional public transportation should be recognized as a public good and a form of social infrastructure. • Local governments should bear primary responsibility for ensuring regional public transportation. • The establishment of statutory councils and the formulation of statutory transport plans should be mandatory. • The national government should define minimum service levels through the Basic Transport Policy Plan and related policies. • Approval of new transport services should require agreement by the statutory council.
Institutional Reform	• All services providing passenger transportation on public roads should be integrated into a unified road-based passenger transport system. • Simplify and reorganize the current transport regulatory framework.
Funding and Financial Framework	• Public financial support should be regarded as compensation for commissioned public services rather than as subsidies. • Public funding should be allocated through statutory councils. • The portion of local allocation tax designated for regional transportation should be clearly identified and secured.

9. What This "Emergency" Proposal Really Means

As Professor Utsunomiya has emphasized, sustainable local transportation systems such as LRT are critically important.

Can Local Transportation Be Changed...

- Tomorrow? → **No Country Can Do It Overnight (maybe).**
- One Month? → **Planning, designing, and building an LRT... Nearly Impossible.**
- One Year? → **Not Impossible, but Extremely Challenging.**

1993 : Planning Started
 2023 : Service Began
 ⇒ **30 Years!** (Too long.)



30y




Even within 10 years (not 30)

- Bus routes are progressively discontinued
- Service levels are significantly reduced
- ⇒ Sharp decline in quality of life (QOL)

Japan is facing the **negative aspects** of relying on private operators.
 Similar outcomes should be avoided in Thailand and Southeast Asia.

Let's learn together and work toward a better society.

Thank you for your attention

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