

# Subject Index

---

- Accountability, 23
- Accounting separation, 43, 61
- Advance-reporting system, 109
- Affordability, 194
- Agency for Natural Resources  
and Energy, 53
- Allocative efficiency. *See*  
Efficiency,
- Automatic adjustment scheme, 54  
– 5, 69, 71–2
- Availability, 33, 38, 115, 117, 194
- Average cost pricing, 11, 26
- Averch-Johnson effect, 17
- Avoidable cost principle, 98
  
- Basic Standard of Establishment  
of Broadcasting  
Stations, 159, 241
- Basic water volume system, 83  
–4, 241
- Beneficiary-pays principle, 41
- Broadcasting industry, 151–3,  
155–9, 161, 163
- Broadcast Law, 151, 157–8, 161,  
241
- Broadcasting license, 161
- Broadcasting Satellite, 152, 155
- Broadcasting System by Use of  
Telecommunications  
Services, 161–2
- BS. *See* Broadcasting Satellite,  
Bureau, 29–30, 79, 91, 105, 107,  
121
  
- Bureaucracy, 28
- Bus industry. *See* Local bus  
industry,
- Business diversification, 7, 104
  
- Cabinet Office, 223–4, 226
- Cable Television Broadcast Law,  
151, 157–8, 241
- Ceiling price, 20, 95–6, 99–100,  
102, 111–13, 116–17,  
241
- Civil minimum, 4, 14,
- Collusion, 18–19, 169–170,  
183–4  
explicit collusion, 19  
tacit collusion, 19
- Communication Satellite, 155
- Community gas supply company.  
*See* Gas supply  
company,
- Community water supply  
organization. *See*  
Waterworks  
organization,
- Competitive market, 4
- Competitive tendering, 17–18
- Comprehensive Outsourcing, 221  
–2, 226–8, 241
- Contracting out, 40, 84, 123, 162,  
217–18
- Corporatization, 64
- Cost plus type regulation, 17, 24
- Council for Regulatory Reform,

- 228, 241
- Cream skimming, 116–17, 201
- Cross-subsidization, 99, 210
- CS. *See* Communication Satellite,
- Daily living necessities, 23
- Data Envelopment Analysis, 182
- DEA. *See* Data Envelopment Analysis,
- Demerit goods, 6
- Deregulation, 5–6, 23, 62–4, 68, 73, 92, 94, 99, 102, 107, 109–11, 116–18, 124, 131–3, 137, 160, 172
- Designated Manager System, 85, 221–2, 228–31, 241
- Destructive competition, 6, 23
- Division separation, 61
- Economic efficiency. *See* Efficiency,
- Economic regulation, 5–6, 8
- Economic stability, 4, 14
- Economies of scale, 49, 79, 128
- Efficiency, 5, 14, 16–22, 25, 27, 31–8, 41, 45, 55, 72, 79, 101, 103, 117, 135, 167–8, 170–72, 174–83, 185, 187–8, 206, 219, 229
- allocative efficiency, 34
- economic efficiency, 35
- inefficiency as monopoly-induced waste, 34
- internal efficiency, 19, 34–5, 38, 45, 168
- Pareto efficiency, 34–5
- productive efficiency, 34–5, 37, 182–3
- technical efficiency, 34–5, 182
- X-inefficiency, 34–5, 37
- Electric Power Development Company, 51–2, 57, 59
- Electric power industry, 6, 49–50, 54–5, 57, 60, 62–3, 65, 69, 71, 137, 171–2, 174–6, 180, 184–5
- Electric Power System Council of Japan, 51, 53, 61, 64, 241
- Electricity company, 50–53, 55, 57–63, 171–5, 180–81, 242, 244–5
- general electricity company, 50–53, 55, 57–61, 63, 171–3, 180–81, 242
- power producer and supplier company, 50–52, 58–9, 61, 244
- special electricity company, 50–53, 58–9, 61, 245
- wholesale electricity company, 50–53, 58, 61, 245
- Electricity Enterprise Law, 51–2, 242
- Electricity rate, 53–7, 62
- EMS. *See* Express Mail Service,
- Enforcement Regulation of the Railway Business Law, 98, 242
- Enforcement Regulation of the Telecommunications Business Law, 194, 242
- Entry regulation, 6–8, 10, 14, 71, 81, 92–3, 101–2, 105, 109, 116, 121, 128, 141, 145–7, 150–51, 158

- Environmental regulation, 6–8  
 Essentiality, 194  
 Essentials for daily living, 23  
 Excess facilities, 17  
 Exit regulation, 6–8, 81, 92–4,  
 102, 105, 109, 116, 141,  
 145–6  
 Explicit collusion. *See* Collusion.  
 Express Mail Service, 189  
 Externalities, 3–4, 7, 13, 23, 99,  
 188  
 External diseconomies, 6, 13, 63  
 External effects, 23  
   pecuniary external effects, 23  
   technical external effects, 23
- Failure in regulation, 21, 22  
 Fairness of redistribution, 4  
 Fair rate of return, 15–17, 24  
 Fair rate of return regulation. *See*  
   Rate of return  
   regulation,  
 Fair return, 15–16  
 Fare based on block-km. *See* Fare  
   system,  
 Fare based on km. *See* Fare  
   system,  
 Fare regulation, 95–6, 105, 111,  
 116  
 Fare revision, 19, 22, 112, 168,  
 178, 210, 228  
 Fare system, 97–8  
   fare based on block-km, 97  
   fare based on km, 97  
   flat fare, 97–8  
   zone fare, 97  
 Flat fare. *See* Fare system,  
 Franchise, 4, 17–19, 35, 126,  
 208  
   franchise bidding, 4, 17–  
   18  
   franchising system, 18  
 Franchise bidding. *See* Franchise,  
 Franchising system. *See*  
   Franchise,  
 Free rider problem, 13, 26  
 Full cost principle, 4, 11, 15–16,  
 55, 69, 95–6, 111  
 Full privatization. *See*  
   Privatization,  
 Functional separation, 43, 45, 206,  
 208, 216, 219–20
- Gas supply company, 66–8, 71–  
 3, 237, 241–3  
   community gas supply  
   company, 66–7, 241  
   gas transmission and  
   distribution company,  
   66–7, 73, 242  
   general gas supply company,  
   66–7, 71–2, 242  
   large-scale gas supply  
   company, 66–7, 71,  
   237  
 Gas transmission and distribution  
 company. *See* Gas  
 supply company  
 Gas Utility Enterprise Law, 66, 71  
 –3, 242  
 Gas utility industry, 65, 68–9, 71,  
 73–4, 171, 175–8,  
 185  
 Gas utility rate, 68, 74  
 General electricity company. *See*  
   Electricity company  
 General gas supply company. *See*  
   Gas supply company  
 General water supply organization.  
*See* Waterworks  
 organization  
 Government failure, 23

- Government intervention, 22  
 Government involvement, 3–5, 26–7
- Highway Company Law, 214, 242  
 Horizontal separation, 43, 45, 183, 206, 208, 212–13
- Imperfect competition, 23  
 Imperfect information, 3–4, 6, 13–14  
 Incentive regulation, 4, 17, 19, 167  
 Income redistribution, 14, 22  
 Increasing return to scale, 8  
 Incumbent, 14, 18, 59, 102–3, 146, 187  
 Independent Power Producer, 51–2, 59, 61, 242  
 Inefficiency. *See* Efficiency  
 Infrastructure organization, 93  
 Integrated rail organization, 93  
 Internal efficiency. *See* Efficiency  
 Investment regulation, 6–7  
 IPP. *See* Independent Power Produce
- Japan Electric Power Exchange, 51, 53, 60–61, 242  
 Japan Expressway Holding and Debt Repayment Agency, 212, 220, 242  
 Japan National Railways, 8, 14, 18, 22, 32–3, 40, 43, 89, 91–2, 100, 104, 178, 183, 203, 206–7, 209, 211, 219, 242  
 Japan National Railway Law, 92, 100, 242  
 Japan National Railway Settlement Corporation, 206, 209, 243
- Japan Post, 45, 121–2, 124–8, 131–5, 201, 204, 214–6, 243  
 Japan Post Bank. *See* Japan Post companies  
 Japan Post companies, 122–3, 126, 128–9, 132, 191, 193, 216–9, 243  
 Japan Post Bank, 122–3, 132, 216–8, 243  
 Japan Post Holding Company, 122–3, 132, 193, 216–8, 243  
 Japan Post Network, 122–3, 126, 132, 191, 216–9, 243  
 Japan Post Service, 122–3, 126, 128–9, 132, 191, 216–9, 243  
 Japan Post Holding Company. *See* Japan Post companies  
 Japan Post Network. *See* Japan Post companies  
 Japan Post Public Corporation, 30, 121, 126, 131, 134, 187, 189, 203, 205, 214–17, 220, 243  
 Japan Post Service. *See* Japan Post companies  
 JR Central. *See* JR companies  
 JR companies, 18, 43, 59, 91–3, 98, 100, 103, 170, 183, 206–10, 219–20  
 JR Central, 91–2, 206–8, 219  
 JR East, 59, 91–3, 206–8, 219  
 JR Freight, 93, 98, 100, 206–9, 219  
 JR Hokkaido, 91, 206–9,

- 219  
 JR Kyushu, 91, 206–9, 219  
 JR Shikoku, 91, 206–9, 219  
 JR West, 91–3, 103, 206–8, 219  
 JR East. *See* JR companies  
 JR Freight. *See* JR companies  
 JR Hokkaido. *See* JR companies  
 JR Kyushu. *See* JR companies  
 JR Shikoku. *See* JR companies  
 JR West. *See* JR companies
- KDDI, 137, 139, 140, 143–4
- Labor unions, 33, 205
- Large private railways, 8, 91, 93, 96, 98, 100–101, 168, 170, 178, 181, 243
- Large-scale gas supply company. *See* Gas supply company
- Legal separation, 61
- Liberalization, 5, 8, 40, 49–50, 52–5, 57–60, 63, 65, 68, 71–4, 101, 121, 130–32, 137
- Liberalized rate, 55
- License, *see* License system
- License system, 13–4, 92, 100–102, 109, 116, 128, 157–8, 161, 243
- Light parcel mail, 130–31
- Local Autonomy Law, 85, 228, 243
- Local bus industry, 105, 117
- Local Independent Administrative Institution, *see* Local Independent Administrative Institution Scheme
- Local Independent Administrative Institution Scheme, 221–2, 233–4, 243
- Local Public Corporation Law, 81–2, 99, 113, 243
- Local Railway Law, 92, 100, 243
- Management Stability Fund, 207, 209, 219–20, 243
- Managerial efficiency. *See* Efficiency
- Marginal cost pricing, 10, 26, 45
- Market failure, 3–4, 6, 14, 21, 23, 26, 31
- Market mechanism, 4, 29
- Marketability, 28–9, 42
- Merit goods, 4, 14, 45, 188
- M-form, 186
- Monitoring, 17, 18, 23, 30, 38
- Monopoly, 8–10, 18, 21, 26, 34–5, 38, 66, 81, 102, 128, 132, 146, 168, 202, 237–8
- Monopoly price, 181
- Moral hazard, 185
- Natural monopoly, 4, 6, 8, 26, 237–8
- Net avoidable cost approach, 201
- Network externalities, 188
- NHK, 13, 152–3, 155, 157, 204
- Non-excludability, 11–12, 26–7
- Non-rivalry in consumption, 11–12, 26–7
- NTT, 40, 137–42, 146–7, 150, 187, 194–5, 197, 203–4
- NTT Communications. *See* NTT group

- NTT Data. *See* NTT group
- NTT Docomo. *See* NTT group
- NTT East Japan. *See* NTT group
- NTT group, 139–44, 147, 149–  
50, 194–5, 197–8,  
200
- NTT Communications, 139  
–40, 147, 195
- NTT Data, 139–40, 147
- NTT Docomo, 139–40, 143  
–4, 147
- NTT East Japan, 139, 141,  
143–4, 147, 149–50,  
194–5, 197–8, 200
- NTT Stockholding Company,  
139–40, 147
- NTT West Japan, 139–44,  
147, 149–50, 194–5,  
197–8, 200
- NTT Stockholding Company. *See*  
NTT group
- NTT West Japan. *See* NTT group
- Operation-infrastructure  
separation, 93
- Ordinal post office, 125–6, 133  
–4, 244
- Pareto efficiency. *See* Efficiency
- Pareto optimal, 4, 34–5
- Partial privatization. *See*  
Privatization
- Pecuniary external effects. *See*  
External Effects
- Permission, *see* Permission  
system
- Permission system, 6, 22, 59–60,  
66, 81, 92–4, 101–2,  
109, 111, 116, 128, 132,  
145–6, 158, 225, 229,  
244
- Personal Correspondence Mail  
Service Law, 128, 132,  
244
- PFI. *See* Private Finance Initiative
- Postal Law, 189–90, 193, 244
- Postal Network Enforcement  
Regulation, 130, 244
- Postal Network Law, 190, 244
- Postal Service Bureau, 121
- Postal Service Enforcement  
Regulation, 130, 189–  
90, 244
- Postal service industry, 121, 131  
–2, 189, 191, 201
- Post office, 121–2, 124–8, 130,  
132–5, 190, 192–3,  
215–16, 220, 241, 244  
–5
- Power producer and supplier, 50  
–52, 58–9, 61, 171,  
244
- Power producer and supplier  
company. *See*  
Electricity company
- PPS. *See* Power Producer and  
Supplier
- Price-cap, 20, 143, 148
- Price-cap regulation, 4, 20, 100,  
141–2, 147
- Price ceiling, *see* Ceiling price
- Price regulation, 6–8, 11, 14, 49,  
54, 65, 68, 72, 81, 121,  
128–9, 141–2, 145,  
150–51, 158
- Price revision, 16
- Principle of de-concentration of  
the mass media, 155
- Private Finance Initiative, 221–6,  
234–5
- Private sector style management,

- 40, 221–2, 234, 244
- Private water supply organization.  
*See* Waterworks organization
- Privatization, 5, 14, 25, 39–43, 45, 64, 89, 91–92, 100, 104, 121–2, 125–7, 130–33, 135, 137, 140, 146, 150, 178, 183–4, 189, 193, 195, 201, 203–20, 222
- full privatization, 39, 40, 42–3, 214, 216–18
- partial privatization, 39
- Productive efficiency. *See* Efficiency
- Productivity, 20, 62, 104, 115, 143, 178, 180, 219
- Profit sharing, 4, 21
- Property rights theory, 25–6, 33–4, 38
- Public choice theory, 25, 33–34
- Public corporation, 3, 5, 25, 27–34, 37–8, 40–42, 45, 81–3, 91, 99, 113, 121–2, 126, 131–2, 134, 137, 139, 145, 152, 157, 187, 189, 191, 195, 203–5, 210–17, 219–22, 227–8, 233–4, 243
- Public enterprise. *See* Public corporation
- Public goods, 3–4, 11–2, 26–7, 157
- pure public goods, 12
- Public independent agency, 29–31
- Public interest, 26–9, 33, 42, 102, 158
- Public utility industries, 3–9, 11–12, 14–16, 19–20, 22, 25–6, 28, 32, 36–7, 43, 45, 55, 84, 105, 121, 130, 133, 137, 167, 170, 180, 183, 185–8, 204
- Publicness, 28–9
- Pure public goods. *See* Public goods
- Qualitative regulation, 6, 23
- Quantitative regulation, 6, 23
- Radio Law, 151, 157–8, 161, 244
- Rail fare, 41, 95–9, 102, 170, 205, 219
- Rail operation organization, 93
- Rail track fee, 89, 98
- Railway Accounting Regulations, 99, 244
- Railway Business Law, 92, 94–5, 98–102, 242, 244
- Railway industry, 15, 20, 84, 89, 92, 95, 99, 100, 105, 172, 181, 209, 213
- Rate base, 15–7
- Rate of return regulation, 4, 15–17, 21, 24
- Regional balance, 4, 14
- Regional council, 94–5, 109–11, 113, 116, 244
- Regional separation. *See* Regional subdivision
- Regional subdivision, 43, 183, 206, 208, 210–11, 213, 220
- Register system, 6, 141, 150
- Regulated rate, 55
- Regulation for non-utility service, 6

- Rent-seeking costs, 22–3
- Report in advance, 93, 109, 244
- Report system, 6, 53–5, 60, 68–9, 72, 82, 93, 96, 100, 109, 111, 115–17, 128–9, 141–5, 147–8, 150, 158, 198, 244
- Resource allocation, 4–5, 8, 13–14, 20, 34–5
- Restructuring method, 45
- Risk, 23, 32, 63, 170, 223–4
- Road Transportation Law, 109, 115–16, 244
- Safety regulation, 6–8
- Scale economies. *See* Economies of scale
- Scarcity of resources, 8
- Search costs, 13
- Second best solution, 10
- Service quality regulation, 6
- Sliding scale, 21
- Social and Regional Maintenance Fund, 132, 218, 245
- Social regulation, 5–6, 13, 23
- Soft-budget hypothesis, 33, 38
- Special electricity company. *See* Electricity company
- Special Law on the Merger of Municipalities, 79, 245
- Special post office, 125–6, 133–5, 215, 245
- Standard cost, 96, 99, 104, 111–13, 170, 179–80, 185, 199
- Stochastic frontier model, 182
- Subadditivity in costs, 8
- Subdivision of government, 29–31
- Summary post office, 125–7, 134, 245
- Sunk costs, 18
- Supply-demand adjustment regulation, 115, 245
- Tacit collusion. *See* Collusion
- Technical external effects. *See* External effects
- Telecommunications Business Dispute Settlement Commission, 144, 149
- Telecommunications Business Law, 141, 145, 147, 149, 194, 242
- Telecommunications industry, 5, 137, 139, 141–2, 145–6, 149, 151, 170, 187–8, 194, 196–7
- Telephone rate, 143, 147
- TFP. *See* Total factor productivity
- Third sector, 30–31, 41, 91
- Total factor productivity, 62, 219
- Transaction costs, 19–20, 163
- Transportation Council, 112
- Transport industry, 87
- Trust-Entrust Broadcasting System, 161–2, 245
- Two-part tariffs, 56, 70, 82
- U-form, 186
- Unbundling, 43
- Uncertainty, 19, 23
- Unfair treatment, 5, 8, 60, 68
- Universal service, 128, 129, 158, 187–90, 193–5, 197–8, 201, 215
- Universal service cost. 187, 194, 197–201
- Universal service obligation, 121, 129, 149, 187–91, 193–4, 196–7, 200–201

- Universal service obligation cost. 169, 189, 224, 230–1,  
     *See* Universal service  
     cost  
 Universal service obligation fund, 214  
 USO. *See* Universal service  
     obligation  
 Utility industries. *See* Public  
     utility industries
- Vertical integration, 79, 93, 203,  
     206, 209, 220  
 Vertical separation, 43, 163, 203,  
     209, 211–13, 220
- Water rate, 81–2  
 Water supply industry, 75–7, 79  
     –82, 84–5, 168, 171,  
     227, 234  
 Water supply organization. *See*  
     Waterworks  
     organization  
 Waterworks Law, 77, 81, 84, 222,  
     227, 245  
 Waterworks organization, 76–85,  
     227, 241–2, 244–5  
     community water supply  
     organization, 77–8,  
     241  
     general water supply  
     organization, 77–80,  
     242  
     private water supply  
     organization, 77–8,  
     244  
     water supply organization,  
     76–7, 79–85, 227,  
     245  
     wholesale water supply  
     organization, 78, 245  
 Welfare, 4, 27–8, 32, 35, 84, 128,
- Wholesale electricity company.  
     *See* Electricity company  
 Wholesale water supply  
     organization. *See*  
     Waterworks  
     organization
- X-inefficiency. *See* Efficiency
- Yardstick competition, 18, 45, 103,  
     170–71, 179–80, 182  
     –3, 186, 210, 220  
 Yardstick regulation, 4, 18–20,  
     54–5, 69, 71, 89, 96,  
     99, 100–101, 104, 111  
     –13, 167–72, 174–  
     81, 183–6, 206–7,  
     210, 220, 245
- Zone fare. *See* Fare system