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Action Plan for the Internationalization of the Regulation and Certification System

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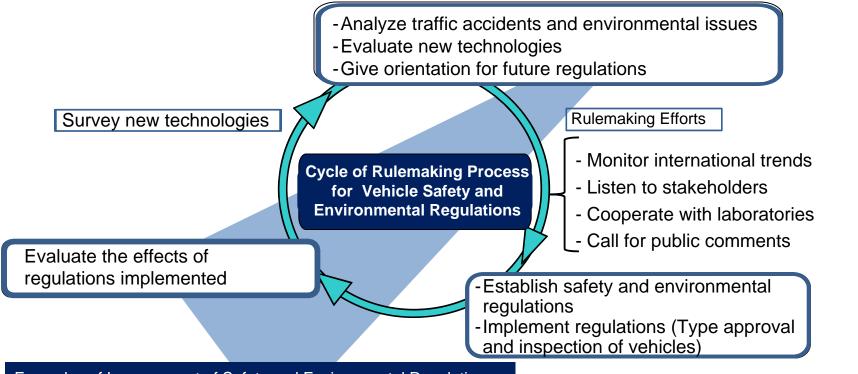
Agenda

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 - 2.2 Develop partnership with Asian countries
 - 2.3 Establish an international whole vehicle type approval system
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- 3. Summary

1. Background

1. Vehicle safety and environmental regulations in Japan

- Japan has been establishing vehicle safety and environmental regulations with transparency based on the results of accident analyses, trends in new technologies, etc. The regulations are scientific, wellbalanced in effect and cost, and open to technological diversity.



Examples of Improvement of Safety and Environmental Regulations

- Spread of hybrid vehicles fastest in the world
 - => Introduced, first in the world, the regulation on protection against electric shock and the guideline on quietness of electric vehicles
- Serious air pollution along urban streets with nitrogen dioxide (NO2), suspended particulate matters (SPM), etc.
 - => Established the world's most stringent diesel emission regulations, taking into account trends in technological development.
- Most of fossil fuels depend on import from abroad
- => Developed the world's most stringent fuel efficiency regulations with top-runner approach, while actively adopting new technologies.

1. Benefits of harmonization of regulations and mutual recognition of certification

- Through harmonization of regulations and mutual recognition of certification, it is possible to promote safer and more environmentally-friendly motor vehicles around the world.
- This not only enables governments to cut administration costs, but also allows the automobile industry to reduce development, certification, and production costs through unification of vehicle design specifications and standardization of parts, to build up global and flexible supply chains, and, consequently, to concentrate more resources on the development of safety and environmental technologies.
- Motor vehicle users also benefit not only from the spread of safer and more environmentally-friendly motor vehicles, but also from reduction in vehicle prices resulting from reduced costs.

Motor Vehicle Users

- Spread of safer and more environmentallyfriendly motor vehicles
- Accessible vehicle prices

Automakers, etc.

- Unified design specifications and standardized parts
 - Reduced development, certification, and production costs
 - Global and flexible supply chains

-More resources to the development of safety and environmental technologies

Harmonization of Regulations

Mutual Recognition of Certification

Governments

- More efficient rulemaking process
- Streamlined examination process for certification

2. Action Plan - Four Pillars of the Action Plan

- Established a high-level meeting consisting of representatives from both public and private sectors*.
- Studied how the internationalization of the regulation and certification system should be and developed the Action Plan.
- Identified measures to be taken to level the playing field for automakers with technological edges to play active roles in globalizing international auto markets, without damaging the primary role of the vehicle regulations and certification system, which is to ensure vehicle safety and preserve environment.

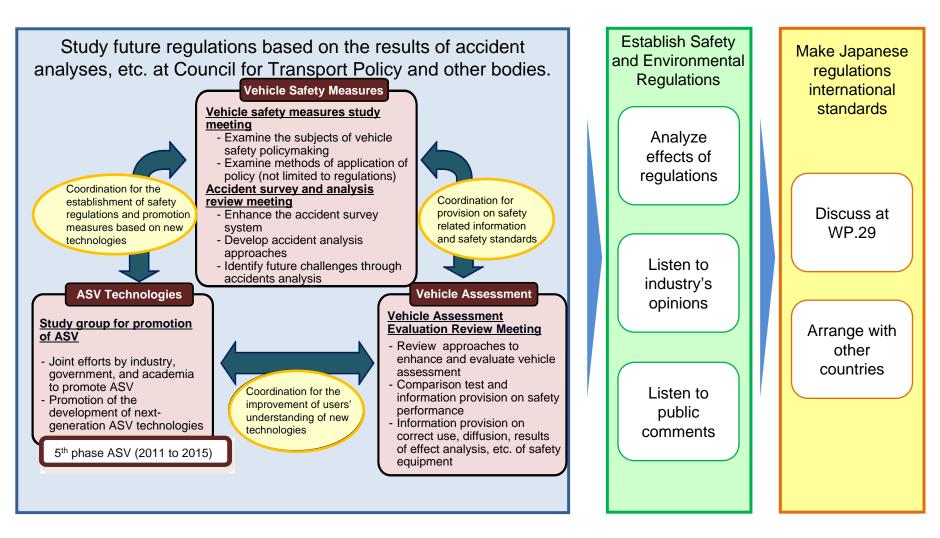
Four Pillars of the Action Plan

- Strategically make state-of-the-art technologies and regulations an international standard.
- Develop partnership with other Asian countries
- Establish an international whole vehicle type approval system
- Enhance resources in response to the globalization of regulation and certification system
- *Members of the high-level meeting include;
- Syuji IKEGUCHI, Senior Vice-Minister of Land, Infrastructure, Transport and Tourism,
- Toshiyuki SHIGA, Chairman of the Japan Automobile Manufacturers Association, Inc. (JAMA),
- Kenji NAKAKURA, Chairman of the Japan Automobile Tyre Manufacturers Association, Inc. (JATMA), and
- Hisataka NOBUMOTO, Chairman of the Japan Auto Parts Industries Association (JAPIA).

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2.1. Strategically make state-of-the-art technologies and regulations an international standard

- Japan has been trying to develop motor vehicle regulations appropriately and on a timely basis based on the results of accident analyses, etc. at Council for Transport Policy and other advisory bodies.
- We pursue efforts at WP.29 to make high-level Japanese vehicle safety and environmental regulations international standards.



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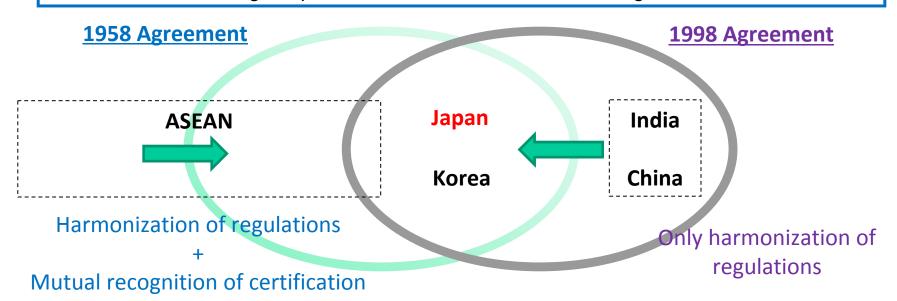
2.2. Develop partnership with Asian countries

- Asian countries are rapidly growing. For Japan, they are promising auto markets and, at the same time, important international partners. From the growth strategy, it is imperative to improve environment for Japanese automakers to play active roles, while promoting the growth, safety, and security of Asian countries.
- We will work with other Asian countries so as to enhance the contributions of Asia to WP.29 and to expand the accession to the 1958 Agreement, and, as a result, to promote the harmonization of regulations and mutual recognition of certification.
- To this end, we will work on two fronts: a multilateral framework through government/industry joint forums, etc. and bilateral cooperation through meetings of minister-level officials, seminars, and dispatch of experts, etc.

Asia as Growing Auto Markets

Asia as International Partners

Promote the harmonization of regulations and mutual recognition of certification through expansion of accession to the 1958 Agreement



2.2. Develop partnership with Asian countries

Public and Private Joint Forum in Asian region (Asia Government/Industry Meeting)

Date 23-25 Nov. 2011

Place Jakarta, Indonesia

Purpose Exchange views and information in the fields of automobile technical regulations and a type approval system.

 History
 National flag shows the host country

 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009



Participants

Brunei, China, Chinese Taipei, Hong Kong, India, Indonesia, Japan, Korea, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, Singapore, South Africa(observer), Vietnam, etc.

:19 Countries and Economy (Total Participant = 2,000 up to Y2010)

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- 2.3. Establish an international whole vehicle type approval system
- 2.4. Enhance resources in response to the globalization of regulation and certification system

2.3. Establish an international whole vehicle type approval system Achieve a system of truly harmonized regulations and mutually recognized certification, which is open also to emerging countries

- It is crucial to make the 1958 Agreement more attractive also to Asian and other emerging countries, i.e., refine it so that they can join on their own initiative and reflect their voices.

Current 1958 Agreement

- Historically, aimed at the harmonization of regulations and the mutual recognition of certification among the European countries.
- The amendment of an UN Regulation requires a two-third vote of the Contracting Parties applying the regulation, but 31 out of 49 CPs are from Europe (of which 28 are members of the EU).
- A new CP cannot vote on the amendment of an UN Regulation if it has not applied the latest version of the regulation in advance. (=>Which could deter emerging countries from accession to the Agreement.)

Refine It into an Agreement that Asian and Other Emerging Countries Can Join on Their Own Initiative and Reflect Their Voices.

Amend the Agreement to permit different level of requirements in a Regulation

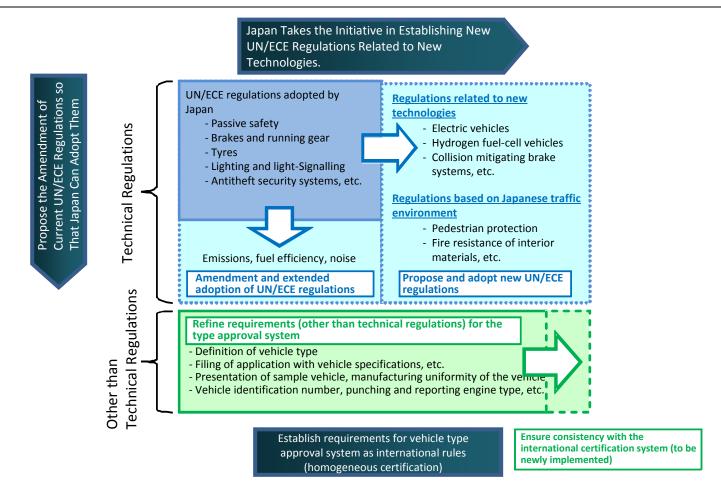
Review the Management and Voting Systems of the WP.29

Achieve true harmonization of regulations and mutual recognition of certification, which is open also to emerging countries

2.3. Establish an international whole vehicle type approval system

From approval by part to approval by vehicle (introduction of IWVTA)

- With the introduction of IWVTA, we can expect (i) acceleration in the harmonization of safety and environmental regulations, (ii) minimization of domestic regulations which is unique to a country, (iii) internationally harmonized type approval systems, and (iv) promotion of vehicle type approval systems in emerging countries.
- Through the introduction of IWVTA, we intend to amend the 1958 Agreement so as to make it a truly international agreement, which emerging countries can easily join.
- While embracing an aspect of IWVTA that benefits all of the Contracting Parties, we need to develop a framework that enables CPs to join on their own initiative and enjoy the maximum benefits from the mutual recognition of certification ensuring their own safety and environment with respects for the sovereignty of each party.



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2.4. Enhance resources in response to the globalization of the regulations and certification system - Improve systems in the government and the industry

- Enhance the government's organizations to conduct international negotiations and cooperation.
- Develop an internationally respected examination body to respond to the globalization of certification.
- Enhance research institutes that support the internationalization of the regulation and certification system.
- It is essential that the industry also enhances its resources to support the internationalization of the regulation and certification system.

Enhance the Government's Organizations to Carry Out International Negotiations and Cooperation

- Improve the organizations to have high-level and expert negotiations with other governing organizations.
- Develop a system to appropriately respond to discussions on vast and detailed harmonized regulations (e.g. technical regulations for IWVTA).
 - => In particular, it is urgent to develop a system to appropriately respond to international discussion (from 2012 onward) on the amendment of the 1958 Agreement for the introduction of an IWVTA system.

Develop an Internationally Respected Examination Body

- Develop an internationally influential examination body based on highly technological expertise
 - => (i) Enhance cooperation in rulemaking activities; (ii) Develop and accumulate technological capabilities of the organization by deepening specialties of examiners; (iii) Improve the regulation and certification system responsive to multilateral certification; (iv) Achieve a high level of convenience for users by unifying channels of application; (v) Ensure sustainability in terms of HR, technology, system, and management.

Enhance the Research Institutes That Supports the Internationalization of the Regulation and Certification System

- Provision of expertise and technical data by research institutes to assist the discussion of harmonized regulations

Enhance resources in the industry

- Properly recruit, train, and assign human resources; accumulate technical data; develop connections with the industry of other countries, etc.

3. Summary

3. Summary

- Japan has been establishing vehicle safety and environmental regulations through a scientific approach.
- Through harmonization of regulations and mutual recognition of certification, it is possible to promote safer and more environmentally-friendly motor vehicles around the world.
- Japan has established the Action Plan consisting of four pillars in order to level the playing field for automakers, etc.
 - Strategically make state-of-the-art technologies and regulations an international standard.
 - Develop partnership with other Asian countries
 - Establish an international whole vehicle type approval system
 - Enhance resources in response to the globalization of regulation and certification system
- We would like to contribute to achieve truly international harmonization of regulations and mutual recognition of certification system in which major emerging countries as well as developed countries participate through the amendments of the 1958 agreement including review of voting system.

Thank you for your attention!