

# **Japan: “both the labor and management sides of the nuclear industry have sought to maintain their clout with the country’s two top political parties”**

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## **Power industry unions donate over 100 mil. yen to DPJ**

TOKYO (Kyodo) — The ruling Democratic Party of Japan received over 100 million yen in donations in the three years through 2009 from political groups formed by workers’ unions of electric power companies, a Kyodo News survey showed Sunday.

With power company executives already known to have provided large contributions to the main opposition Liberal Democratic Party, the union funding shows that both the labor and management sides of the industry have sought to maintain their clout with the country’s two top political parties.

The power industry’s labor groups provided at least 111 million yen to the DPJ headquarters as well as 33 parliamentarians including Katsuya Okada, former party president and current secretary general, and former science minister Tatsuo Kawabata between 2007 and 2009, according to publicly available political fund reports.

Current and retired executives of electric power companies were already found to have provided 162 million yen in political donations during the same three-year period to the LDP, which lost power in 2009.

The labor unions mobilized their funds to support the DPJ while the management backed the LDP to achieve the common goal of securing political endorsement for nuclear power as an important energy source.

The 220,000-strong Federation of Electric Power Related Industry Worker’s Unions of Japan, known as Denryoku Soren, has deepened ties with the DPJ since before the party wrested power from the LDP in 2009.

One source in the federation said the labor group provided the funds to politicians who supported nuclear power as an energy source to ensure stable electricity supplies.

Denryoku Soren is formed by workers’ unions at 10 regional electric power companies, two power wholesalers — Japan Atomic Power Co. and Electric Power Development Co. — and electric power-related firms.

A DPJ panel on energy in 2006 put forth a new energy policy proposal stating that nuclear power is an indispensable energy source, marking a turnaround from the party’s previously cautious stance on nuclear energy.

DPJ upper house member Masashi Fujiwara, who once belonged to the federation said in the union’s

newsletter in 2007 that the labor group's approach to the party played a key role in encouraging the policy shift.

The DPJ's pro-nuclear stance was later reflected in its campaign promises for the 2009 election.

**Kyodo**, August 1, 2011

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<http://mdn.mainichi.jp/mdnnews/national/archive/news/2011/08/01/20110801p2g00m0dm008000c.html>

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### **NISA under fire over hiring of former TEPCO subsidiary worker as nuclear inspector**

The government's Nuclear and Industrial Safety Agency (NISA) said it hired a former employee of a Tokyo Electric Power Co. (TEPCO) subsidiary in April as a nuclear inspector and assigned him to the utility's Fukushima No. 2 Nuclear Power Plant the following month.

NISA explained that it hired him to fill the vacancy after one of its inspectors quit at the end of March.

The practice has called into question NISA's neutrality as a nuclear power plant regulator.

NISA and TEPCO emphasized that the worker is performing his duties in an appropriate manner.

"He has good knowledge of nuclear power plants, and is performing his duties properly as a member of the regulatory authority," said NISA Director General Nobuaki Terasaka.

"The inspector is doing a good job while keeping relations between NISA and TEPCO in mind," said Junichi Matsumoto, deputy head of TEPCO's nuclear power division.

NISA has stationed about 100 nuclear inspectors at 17 nuclear power stations across the country, with a total of 54 reactors, to see if the plants are operated strictly in accordance with safety regulations. Five are assigned to TEPCO's Fukushima No. 2 power station.

More than half of these inspectors are former employees of nuclear power plant manufacturers and relevant companies. Some of them are from power suppliers or affiliates.

The inspector who has recently been assigned to the Fukushima No. 2 plant previously worked for a TEPCO affiliate. He was loaned to TEPCO for four years from April 2004 to do maintenance work on turbines of the plant's reactors.

**Mainichi Shimbun**, August 11, 2011

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<http://mdn.mainichi.jp/mdnnews/national/archive/news/2011/08/11/20110811p2a00m0na010000c.html>

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## **Gov't to set up new nuclear regulatory body in Environment Ministry**

The government will set up a new nuclear regulatory agency as an extra-ministerial bureau of the Ministry of the Environment following the nuclear disaster at the Fukushima No. 1 Nuclear Power Plant.

Tentatively called the Nuclear Safety Agency, the new organization is expected to rectify the conflict of interest in the current system, in which the Nuclear and Industrial Safety Agency (NISA) — the nuclear regulatory authority in Japan — belongs to the Ministry of Economy, Trade and Industry — which has long promoted nuclear energy.

However, observers are concerned how much influence the new agency, which is to be attached to the relatively small Environment Ministry, could have on carrying out its tasks and coordinating with other relevant organizations.

Following the decision on Aug. 11 by the Democratic Party of Japan (DPJ) about the new agency's parent body, officials of the Environment Ministry were at odds, with one saying, "Emotionally, many officials in our ministry are anti-nuclear," while another saying, "There are hardly any nuclear energy experts in our ministry."

The Environment Ministry currently has 1,258 staff, with its budget set at a mere 200 billion yen, while the new nuclear regulatory agency is expected to have some 500 staff, including those hailing from NISA and the Nuclear Safety Commission of Japan (NSC), under the umbrella of the Cabinet Office.

"They are a unique group of people from the so-called 'Nuclear Village,' and it would take a decade or so to merge them into a single entity. I wonder if the new agency could upset the organizational balance in the Environment Ministry," said one concerned ministry insider.

Although the ministry has heretofore "taken the role of an opposition party within the government, detested by other ministries and agencies" for its regulatory role over pollution and other environmental issues according to a senior ministry official, the ministry's relatively tenuous position in the government in terms of manpower and budget has often forced it to compromise with other ministries and agencies in negotiations.

Furthermore, the ministry has hardly any nuclear power experts and lacks experience in emergency response to major incidents and accidents. The success of the new nuclear safety agency depends on whether the ministry can overcome these circumstances.

"Every time a problem arises, new agencies such as the Financial Services Agency and the Consumer Affairs Agency have been set up at the Cabinet Office as its extra-ministerial bureaus. If there is another agency to be attached, the Cabinet Office will find it hard to control itself," Hideaki Shiroyama, professor of public administration at the University of Tokyo, said.

"In the meantime, setting up the new nuclear safety agency at the Environment Ministry does not require a new ministerial post, and the ministry's command and management system is relatively solid. However, the ministry has also utilized nuclear power as a tool for global warming prevention,

and therefore attaching the new agency to the ministry does not necessarily mean that the nuclear regulatory body is separated from the parties promoting nuclear energy,” Shiroyama added.

**Mainichi Shimbun** , August 12, 2011

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<http://mdn.mainichi.jp/mdnnews/national/archive/news/2011/08/12/20110812p2a00m0na004000c.html>

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### **Industry minister sacks 3 top officials to end cozy ties over nuclear power policy**

Industry minister Banri Kaieda, under pressure to put an end to cozy ties between government regulators and utilities over Japan’s nuclear power policy, announced on Aug. 4 plans to sack three high-ranking officials in charge of nuclear policy.

The government is also considering separating the Nuclear and Industrial Safety Agency (NISA) from the Ministry of Economy, Trade and Industry (METI) in an attempt to restructure METI through a virtual total overhaul.

The three officials facing the axe are METI Administrative Vice Minister Kazuo Matsunaga, NISA Director General Nobuaki Terasaka and Tetsuhiro Hosono, director general of the Agency for Natural Resources and Energy.

The crisis at the Fukushima No. 1 Nuclear Power Plant triggered by the March 11 earthquake and tsunami destroyed the safety myth about nuclear energy and METI came under fire for its handling of the nuclear disaster.

Revelations of NISA’s alleged efforts to stage questions in symposiums on Japan’s nuclear energy policy represented a damaging blow to METI as well as to its two nuclear-related umbrella entities — NISA and the Agency for Natural Resources and Energy.

METI Minister Kaieda is looking into the staging scandal in which METI and its entire organization are alleged to have been systematically involved. “METI’s trust was lost,” a government official said.

Behind the planned personnel shakeup and the scandal are a deepening rift between Prime Minister Naoto Kan and his team and METI.

Kan has made clear his policy to lessen Japan’s dependence on nuclear energy and he harbors strong distrust of METI. He issued a rare instruction to METI to release all data about in-house and underground power generation, saying METI is trying to cover up data disadvantageous to itself.

Although Kaieda said that he personally decided to sack the three top officials, there is a possibility that the decision reflects Kan’s desires.

The Kan government hopes to accelerate its moves to drastically review the nation’s nuclear power policy and lower Japan’s reliance on nuclear energy. But a senior METI official said the ministry cannot do anything under the leadership of Kan, who has expressed his intention to resign without mentioning any timeline.

**Mainichi Shimbun** , August 4, 2011

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<http://mdn.mainichi.jp/mdnnews/national/archive/news/2011/08/04/20110804p2a00m0na013000c.html>

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## **Kagoshima governor received free tickets from utility that wanted to build nuke reactor**

KAGOSHIMA — Gov. Yuichiro Ito received two free musical tickets from a power supplier that was seeking his approval of its plan to build an additional nuclear reactor in the prefecture, it has emerged.

Ito denied that he had any intention of giving preferential treatment to Kyushu Electric Power Co. in return for the tickets. "I've never thought about such a thing," he told reporters.

When asked whether he thought his receipt of the tickets from the power supplier was inappropriate, Ito responded, "I don't think so."

The utility also denied that it attempted to curry favor with the governor over the construction of the nuclear reactor.

Ito received two tickets to the musical, "Miss Saigon," performed at Hakataza Theater in Fukuoka in 2009. Ito and his wife used the tickets to view the play.

Ito and Kyushu Electric officials said that when he met with the then manager of the utility's Kagoshima branch during a social gathering, he expressed his interest in Miss Saigon. The manager responded by obtaining two tickets to the musical from the company headquarters' general affairs department for the governor.

Kyushu Electric Power is a shareholder in Hakataza Theater and supported the performance of Miss Saigon at the theater.

The most expensive A ticket to Miss Saigon was 16,000 yen.

Kyushu Electric Power asked Gov. Ito in January 2009 for his approval of its plan to build a third reactor at Sendai Nuclear Power Plant in Satsumasendai, Kagoshima Prefecture.

**Mainichi Shimbun** , August 5, 2011

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<http://mdn.mainichi.jp/mdnnews/national/archive/news/2011/08/05/20110805p2a00m0na006000c.html>

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## **Japan gov't unveils ideas for new nuclear safety agency**

TOKYO (Kyodo) — The government unveiled Friday a set of ideas to improve nuclear safety in Japan, proposing that a new agency be set up under either the Environment Ministry or the Cabinet Office.

Prime Minister Naoto Kan and his Cabinet members want to separate the Nuclear and Industrial Safety Agency from the Ministry of Economy, Trade and Industry, which promotes the use of atomic energy, in the wake of the crisis at the Fukushima Daiichi nuclear power plant.

After consulting with the ruling Democratic Party of Japan, as well as opposition parties, the government is hoping to finalize at a Cabinet meeting possibly on Aug. 12 where to establish the new nuclear watchdog, and to move the functions of the safety agency to a new structure in April.

Goshi Hosono, minister in charge of the nuclear crisis who drafted the set of ideas, told a news conference that “Japan’s national interests will be seriously damaged” if the regulatory reform fails.

The current setup of the nuclear safety agency under the industry ministry has been criticized for lax supervision by the government of nuclear facilities and a slow response to the ongoing crisis at the Fukushima plant, triggered by the powerful March 11 earthquake and tsunami.

Hosono called on opposition parties, which control the House of Councillors, to cooperate in passing necessary bills. He said the bills should be discussed during the next ordinary Diet session starting in January.

Hosono met relevant Cabinet ministers earlier Friday to discuss his ideas. Although the initial plan called for a new body to be affiliated with the Environment Ministry, some said it should be attached to the Cabinet Office, which has more experience in nuclear administration and coordinating policies with other government offices.

As Kan’s Cabinet members were divided on where to transfer the country’s nuclear regulatory functions, Hosono’s blueprint presented two options.

Hosono said he himself has yet to conclude which option is better, adding that the new organization, if it comes under the control of the Cabinet Office, must be headed by a Cabinet minister.

Under the draft, the new body would absorb a range of existing nuclear-related work currently undertaken by different government institutions. There would also be a new panel, composed of third-party experts, under the body.

To begin with, the government is planning to move about 500 to 600 officials from the current safety agency, the Education, Culture, Sports, Science and Technology Ministry, and the Nuclear Safety Commission.

**Mainichi Shimbun** , August 5, 2011

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<http://mdn.mainichi.jp/mdnnews/national/archive/news/2011/08/05/20110805p2g00m0dm031000c.html>

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