January 22, 2009 Atomic Energy Commission

In the statement entitled "Study on the Ideal Structure for a Nuclear Damage Compensation System" adopted at the regular meeting on 3 June 2008, the Atomic Energy Commission (AEC) pointed out that the time for the next revision of the currently effective "The Act on Compensation for Nuclear Damage (hereinafter referred to as "the Act")" is approaching as the Act's provisions will cease to be effective after December 31, 2009 and decided that the Ministry of Education, Culture, Sports, Science and Technology (MEXT), the government agency with jurisdiction over the Act, should quickly start a deliberation on the proper structure for nuclear damage compensation, aiming at contributing to the improvement of the Act, taking into consideration the lessons learnt from the experience of the first application of the Act at the occasion of the JCO criticality accident that occurred after the previous revision had come into effect. In response, the MEXT set up the "Study ICommittee on the Proper Structure for a Nuclear Damage Compensation System" to start the deliberation, and mapped out its first assessment report on 15 December 2008 and reported its contents to the AEC on on January 13, 2009.

The AEC has assessed that the five items identified as the matters subject to regulatory changes, namely, (1) extended term of the Act, (2) increase in amount of compensation, (3) expansion of scope of the designated functions of hearing committee on disputes, (4) further tightened penalties for violations of the laws and regulations and (5) outsourcing of part of clerical duties concerning government compensation contracts to insurance companies, are suitable measures for improvement in the nuclear damage compensation system in light of international trends and findings based on experience of damage claims regarding the JCO criticality accident, and considers that the MEXT should work promptly toward realization of the regulatory changes based on the report.

With regard to the matters the committee has identified necessary to examine, the AEC will hear the results of the study from the MEXT in a timely manner after the study reaches an advanced stage and present its own views as required.