

Preliminary Budget Requests Made for Upcoming Fiscal Year

On August 25 and 29, respectively, the Ministry of Economy, Trade and Industry (METI) and the Ministry of Education, Culture, Sports, Science and Technology (MEXT) announced their preliminary budget requests for FY2007 (April 1, 2007, to March 31, 2008). The combined amounts of the two ministries' nuclear-related requests grew 9.3% to ¥475.5 billion (\$4.054 billion at \$1=¥117.3), an ambitious amount reflecting the heightened importance of nuclear energy in such fields as energy and particle beam applications.

MEXT has requested ¥9.5 billion (\$81 million) for research on practical applications of the fast breeder reactor (FBR) cycle, a 270% increase, as well as ¥7.7 billion (\$66 million) for the International Thermonuclear Experimental Reactor (ITER) project, up 450%. Additionally, the Ministry has made a new request of ¥4.7 billion this time for the disposal of radioisotopes and research laboratory waste. Meanwhile, METI newly requested ¥4.0 billion (\$34 million) for the development of FBR cycle technology, as well as ¥1.3 billion (\$11 million) to support the exploration of uranium mines overseas, and ¥300 million (\$2.6 million) for a program to foster human resources in the field of nuclear energy.

The total amount of MEXT's nuclear energy-related requests came to ¥285.5 billion (\$2.43 billion), up 6.7% from the current fiscal year. The amount earmarked for expenses related to the development of FBR-cycle technology increased 9% to ¥40.1 billion (\$342 million), while the budget appropriation request for the FBR Monju, whose remodeling work has finished and is now awaiting plant confirmation trials, decreased 19% to ¥17.9 billion (\$153 million). Other requests included the following sums: ¥9.5 billion (\$81 million) for R&D on practical applications of innovative technologies, now in Phase II of strategic investigative research; ¥3.8 billion (\$32 million) for the experimental fast reactor Joyo; and ¥4.9 billion (\$42 million) for the development of MOX fuels.

The budget request for Japan's area of responsibility in the ITER project – namely, the manufacture of equipment and so forth – came to ¥3.6 billion (\$31 million), while an additional ¥4.1 billion (\$35 million) is sought for the “broad-approach” development of research facilities and equipment in Rokkasho-mura (Aomori Prefecture). Elsewhere, the sum requested for the development of technology for high-level radioactive waste (HLW) disposal remained unchanged from the current fiscal year at ¥9.0 billion (\$77 million), while that for the Japan Proton Accelerator Research Complex (J-PARC) fell 5% to ¥29.4 billion (\$251 million). Other budget items in MEXT's request included commissioning expenses for R&D on nuclear energy systems applying a competitive funding system, down 13% to ¥5.5 billion (\$47 million), and ¥6.3 billion (\$54 million) for research on cancer treatment using heavy particles, up 15% .

While not included in MEXT's categorization of nuclear-related budget requests, the amount earmarked for development of the X-ray free-electron laser in FY2007 climbed significantly to ¥7.8 billion (\$66 million), up 240%. The aim is to deliver concrete results before Western countries can.

Starting in the current fiscal year, METI now characterizes its nuclear-related budget as part of its general promotion of a plan to make Japan “a nuclear powerhouse.” The total sum devoted to that plan for the upcoming fiscal year grew 13.3% to ¥190 billion (\$1.62 billion), broken down as follows: ¥17.3 billion (\$147 million) for FBR technology development, the securing of uranium resources and the fostering of human resources, etc., up 29%; ¥33.7 billion (\$287 million) for the Nuclear and Industrial Safety Agency (NISA), a sum unchanged from the current fiscal year; ¥138.3 billion (\$1.18 billion) for various subsidies supporting “local coexistence,” i.e., support for the economic development of communities with nuclear facilities, for a 16% increase; and ¥700 million (\$6 million) for others.

Meanwhile, METI will coordinate its work with MEXT in sponsoring new activities for the

development of FBR technology, with a sum of ¥3.4 billion (\$29 million) earmarked for the promotion of R&D on practical applications of the FBR cycle, and the development of technology to build a demonstration reactor.

In the area of securing uranium resources, METI will operate through the Japan Oil, Gas and Metals National Corporation (JOGMEC) to support activities by private Japanese entities to explore for uranium deposits overseas.

Additionally, the Ministry wants to spend ¥300 million (\$2.6 million) to establish a program to foster human resources in nuclear energy in coordination with MEXT, which itself will spend ¥200 million (\$1.7 million) on the program. The plan is to support efforts by universities and graduate schools to enhance their human-resource development and research activities, helping them to implement on-site internships for students and developing curricula more in line with the needs of industry.

In addition, some ¥50 million (\$430,000) has been requested by METI for the second year of feasibility studies on a project to develop next-generation light water reactors (LWRs), while a much larger sum of ¥5.1 billion (\$43 million) will go toward boosting R&D on radwaste measures, including trans-uranium (TRU) disposal technology.

Looking at the NISA-related budget for next year, ¥2.2 billion (\$19 million) is to go toward measures to deal with aging reactors, up 61%, while ¥1.4 billion (\$12 million) will be spent on seismic safety measures, an amount that remains unchanged from the current fiscal year. Other items include ¥8.2 billion (\$70 million) for disaster countermeasures in the field of nuclear energy and the protection of nuclear materials, an increase of 8%. One new budget item for the upcoming fiscal year is a sum of ¥300 million (\$2.6 million) to be appropriated for the technological evaluation of the soundness of the spent fuel to be stored at spent-fuel storage facilities.

As regards "regional coexistence" activities, METI aims to support the autonomous and self-sustaining development of local communities by helping them promote the siting of nuclear power plants (NPPs) and nuclear fuel cycle facilities. In line with that, the subsidies given to electric power-source communities now at the stage of literature research for the advancement of the selection of a final candidate site for HLW disposal will be markedly increased from the current ¥210 million (\$1.8 million) to ¥1 billion (\$8.5 million), for a total of ¥2 billion (\$17 million).

Meanwhile, the 2007 regular session of the National Diet is expected to see the submission of a bill to revise the system related to the so-called special account for energy. The special accounts for petroleum and electric sources are to be combined, while the electric-source development promotion tax – which now serves as the funding source for the special electric-source account – will be rolled into the general account, from which the necessary funds will then be drawn for that special account. The preliminary budget requests (general budget) this time have been made on the basis of the current set-up for special accounts, and do not take into account the forthcoming revisions.

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