

SUMMARY OF THE PROCEEDINGS OF THE 13th NUCLEAR REFORM MONITORING COMMITTEE MEETING, JUNE 5, 2017

Venue: TEPCO Headquarters 10F West Conference Room

Participants:

- Dr. Dale Klein (Chairman)
- Lady Barbara Judge (Deputy Chairman)
- Masafumi Sakurai (Member of the Committee)
- Fumio Sudo (TEPCO Chairman, Member of the Committee)
- Kazuhiro Suzuki (Secretary-General)
- Naomi Hirose (TEPCO President and CEO, Chief of the Nuclear Reform Special Task Force)
- Takafumi Anegawa (Managing Executive Officer, Secretary General of the Nuclear Reform Special Task Force)
- Naohiro Masuda (Managing Executive Officer, President of Fukushima Daiichi D & D Engineering Company)
- Koichi Kimura (Managing Executive Officer, Representative of Niigata Headquarters, Deputy General Manager of Nuclear Power & Plant Siting Division)
- Dr. John Crofts (Managing Executive Officer, Chief of Nuclear Safety Oversight, Head of Nuclear Safety Oversight Office)
- Shinichiro Kengaku (Managing Executive Officer, Public Relations & Corporate Communications Unit)
- Chisa Enomoto (Head of Social Communication Office)

Chairman's Opening Remarks

Dr. Klein said the committee looks forward to hearing about four areas:

- Enhancement of governance and technical capabilities
- Communications program
- Plan to improve dialogue with the stakeholders in Niigata area
- Emergency response activities and its associated culture

Dr. Klein noted that although Mr. Sudo, Mr. Hirose, and Mr. Anegawa will be changing their positions in a few weeks, the Committee will continue its role. For himself and on behalf of the Committee, Dr. Klein expressed appreciation for their work on behalf of the people of Japan and their contributions to the understanding of the international community. He noted that while none of the three occupied their positions at the time of the Fukushima accident, the contributions they have made in the aftermath have improved TEPCO's position, including the transition of Fukushima Daiichi from an emergency site to a cleanup site. The Committee, he said, will continue to focus on nuclear safety, safety culture and the remaining things that need to be accomplished.

Comments from Committee Members

Lady Judge praised TEPCO's leadership for having established the Committee and acknowledging the need for its oversight function, as well as for promoting women into important functions. She thanked Mr. Sudo for his role on the Committee and all three men for their leadership, noting that TEPCO, its employees, and all of Japan

have benefited from it. She said the Committee looks forward to working with the new leadership to establish a world-class safety culture.

Mr. Sakurai expressed his appreciation as well, noting that management's cooperation had been essential in making the Committee's work successful and effective. He said he looks forward to working with the new leadership team to move forward on the key issues, including the four major topics that Dr. Klein had enumerated.

Mr. Sudo looked back over the time since he joined the Board of Directors five years ago and then became its chairman three years ago. He noted that the situation at Fukushima Daiichi has evolved and improved dramatically. He also noted the improvement in communications, noting that TEPCO has become more effective in creating understanding among the communities near the Fukushima facility, and expressing the hope that this improvement will extend to Kashiwazaki-Kariwa as well. He praised the Committee's work and expressed appreciation for its support, as well as the support it has received from the company's leadership, along with Mr. Ishizaki and Mr. Kimura.

Mr. Sudo also noted that, as TEPCO continues to face challenges at Fukushima Daiichi, Daini, and KK, He asked Dr. Klein, Lady Judge and Mr. Sakurai to continue in their capacity as members of the Committee. He noted the importance of continuing to build trust and confidence, and noted that Mr. Kobayakawa, Mr. Kawamura, Mr. Anegawa, Mr. Masuda and Dr. Crofts, will work as a team in solidarity to work for the people of Japan.

Comment from the Chief of Nuclear Reform Special Taskforce

Mr. Hirose noted that in four and a half years since the Committee was established, its work on core nuclear safety issues was sometimes distracted by the emergence of specific issues, but that as the situation has stabilized the Committee and TEPCO have been able to return focus to the four issues Dr. Klein mentioned. He said TEPCO will pursue those issues, and expressed the hope that the Committee will continue to offer its insight in those areas. Moreover, he said, those areas will continue to be the central focus even after the change in management, and that progress will continue, including attention to communications surrounding the 2020 Tokyo Olympics.

Progress of action plans based on the Committee's recommendations stated in its review report on self-assessment

Progress of action plans based on the Committee's recommendations stated in its review report on self-assessment were reported by Secretary General of Nuclear Reform Special Task Force Anegawa, Managing Executive Officer Kengaku and Representative of Niigata Headquarters Kimura.

Mr. Sakurai asked whether, in addition to external experts used in communications training, the Committee itself or the Social Communication (SC) office has assets that could be used to help. Ms. Enomoto explained SC office held trainings based on specific cases for 40 risk communicators two times in FY2016, and that the trained risk

communicators could now help train other employees, possibly using case studies.

Mr. Sudo also stressed the importance of assessing the impact of communications training six months or a year later, and urged Ms. Enomoto to produce a report with appropriate metrics and results.

Lady Judge noted that early efforts at communications improvement made some strides but that momentum had not been maintained. She said she is heartened to see a renewed effort in this area, noting that as the Olympics approach Tokyo and Japan will be frequently in the news, and that efforts TEPCO makes to help the world understand are very important. She also noted that TEPCO needs to improve its skills at crisis communication and preparedness.

In response, Mr. Kengaku noted that TEPCO in recent years has improved its English press releases by not making them just direct translations of Japanese, but instead structuring them for the international media. He noted that the preparations for the Olympics must take into account not only the Olympics but attention in preparations and events leading up to the games, including the 2019 Rugby World Cup in Tokyo. And he agreed on the need for better crisis preparedness.

Lady Judge noted the importance of having trained specialists in the role of external communications. Mr. Sudo said risk communicators' skills must be matched to their job descriptions, and that TEPCO needs to identify the skills required and then measure performance against those benchmarks. Only then, he said, would TEPCO be able to compare its communications performance with that of global leaders.

Mr. Kengaku responded that there could be some benefit in rotating communicators out to other parts of TEPCO so they will have a better understanding. With respect to Mr. Sudo's comment on identifying and measuring the required skills, he said the company is working on this.

Dr. Klein noted that there has been a shift in recent years in who within large organizations they trust. Formerly, he said, people always wanted to hear from top officers, but now, they seem to want to hear from the people at working level. The challenge, Dr. Klein noted, is that the people at those levels have strong technical skills but not necessarily good communication skills. Training a slice of people at that level in communications skills will help TEPCO regain public trust, he said.

Mr. Kengaku responded that identifying the right spokesperson depends on the stakeholder and the audience and on particular circumstances. He said TEPCO tries to match the right spokesperson to the right audience and situation.

In connection with data disclosures, Dr. Klein noted that TEPCO still tends to dump large quantities of data without providing context or explanation. He said this commitment to transparency is admirable but may not be helpful if the public is not educated on how to understand the data and its significance.

Dr. Klein encouraged TEPCO management to visit a nuclear plant in the United States during a planned outage and see how the plant owner holds contractors accountable for training and performance to the same standards as the utility itself. Mr. Anegawa thanked Dr. Klein for the suggestion and responded that he would like

to make a specific plan to conduct the visit, so that it will be more efficient in terms of improvement. He noted that Palo Verde has accepted that TEPCO will second a person there, which should enable TEPCO to learn about how work is allocated between contractors and in-house employees.

Kashiwazaki-Kariwa Technical Support Center (TSC)

Mr. Sakurai said that with regard to the use of both seismic isolated building and Technical Support Center (TSC), the words “parallel use” were used, but that they were not conveyed properly, creating a misunderstanding. He said that TEPCO should make sure that the other party really understands what it explains and that TEPCO has to have that mechanism to make sure that it verifies that the other party has really understood.

Dr. Klein asked whether TEPCO checked the noise level, heating and cooling for Unit 5 TSC, as the space and the volume of seismic isolated building and those of Unit 5 TSC are different. Mr. Anegawa responded that Unit 5 TSC will be designed to permit comfortable work in that area, and that TEPCO will continue repeating these training sessions so that the conditions can be confirmed.

Mr. Hirose said that what TEPCO needs to look is the Unit 5 TSC and having the people of Niigata prefecture understand that the TSC will be functional. Lady Judge said that It may be worth for people in the community to understand the new TSC and how it is effective.

Mr. Sudo asked how to respond in case the work force will not be able to be called up. Mr. Anegawa responded that there are three teams that have been put into place. He said that if it's a prolonged accident, then one team will not suffice. So, TEPCO will have a rotating shift of people. If there is one person that is unavailable due to business travel, or because he is ill, there is always going to be an alternative person that is assigned among the three teams, and also between positions within each team.

Mr. Hirose said that with regard to the issue of TSC in Kashiwazaki-Kariwa, when he went to see the governor to report on it, the governor emphasized the importance of third-party verification of TEPCO's performance. Mr. Hirose said that TEPCO hopes that the Committee can serve as that third party. Such verification is also relevant to the work at Fukushima Daiichi and that TEPCO would like to continue its efforts to that end.

Concluding Remarks

Dr. Klein said that he would like to especially congratulate on the caliber of people selected for TEPCO's new Nuclear Safety Advisory Board. The individuals have a lot of experience and expertise in actual operations, he said, which is what TEPCO needs as it moves forward.