

Guidelines on Procedures for Inviting Entities to Apply for a Project Subsidy under the Fiscal 2013 Budget Project: “Project for Decommissioning and Contaminated Water Management (Development of Technologies for Characterization and Processing of Fuel Debris)”

Date: February 28, 2014

Management Office of the Project for Decommissioning
and Contaminated Water Management

The Management Office of the Project for Decommissioning and Contaminated Water Management invites entities to apply for a project subsidy under the Fiscal 2013 Budget Project, “Project for Decommissioning and Contaminated Water Management (Development of Technologies for Characterization and Processing of Fuel Debris)” as outlined below. When applying for a project subsidy, please refer also to the Subsidy Granting Rules (“Grant Policy for Subsidy for the Project for Decommissioning and Contaminated Water Management”).

1. Purpose of Project

The purpose of this Project is to improve the standard of Japan’s science and technology and to smoothly carry out measures for decommissioning and contaminated water management by implementing projects that support the development of technology for decommissioning and contaminated water management.

2. Contents of Project

This Project shall be implemented on the basis of the Mid- and Long-term Roadmap towards the Decommissioning of TERCO’s Fukushima Daiichi Nuclear Power Station Units 1-4.

In examining methods of retrieval and treatment of fuel debris in the process of taking measures to move towards decommissioning TERCO’s Fukushima Daiichi Nuclear Power Station, it is necessary to estimate the properties and configurations of actual fuel debris as the first step. In making such estimation it will be effective to manufacture simulated debris under the conditions set based on the history of the accident and accordingly evaluate them.

In order to figure out the treatments (processing and disposal, etc.) of retrieved fuel debris, it is necessary to investigate the choices of the treatments as well as the applicability of the existing processing technologies.

(1) Grasping the Properties of Fuel Debris by using Simulated Debris

• In order to move towards the sampling and retrieval of debris, analysis on the following shall be conducted by way of using simulated debris and thus data on the properties of debris shall be got hold of:

- [1] Mechanical properties of oxide debris and metallic debris;
- [2] Co-relativity between the property of debris and perforation capacity
- [3] Properties of products created as the result of reaction specific to the Fukushima Daiichi NPS Accident, etc.

Experimental tests for manufacturing simulated debris designed to acquire useful data as well as joint research with overseas institutions shall be carried out as necessity arises.

• The properties of fuel debris of the US Three Miles Island Nuclear Power Station Accident shall be got hold of and shall be studied by comparing them with the data to be acquired as mentioned above.

(2) Development of Technology for Treatments of Fuel Debris

The water content and dewatering property as well as denaturation behavior (degradation and elution into water due to heat or chemical reaction, etc.), which will have much impact on the stable custody of debris, shall be analyzed and evaluated.

(3) Management of Research and Development, etc.

[1] Human Resources Development Undertaken from Mid- and Long-term Perspectives

Cooperative measures such as joint research projects with universities and research institutions shall be strengthened with a view to developing the human resources required in the context of mid- and long-term perspectives.

[2] Mobilization of Knowledge from both Domestic and Overseas Sources

Projects shall be implemented by making best use of knowledge from domestic and overseas sources. In particular, introduction of necessary technologies from domestic and overseas sources shall be widely considered.

[3] Setting Performance Indexes in Terms of Goals Achieved

Easily understandable performance indexes serving as criteria for appraising goals achieved shall be studied, and such indexes to be indicated in numerical terms shall be used to verify whether or not goals have been achieved at the time of project termination.

[4] Improving Information Disclosure

More efforts shall be made to improve explanations and briefings on the contents of project implementation and its results, in order to make them more easily understood by the general public.

[5] Establishing and Managing an External Committee, etc.

In conjunction with implementing this Project, a committee if necessary composed of outside experts and eminent persons shall be established whose functions are to discuss and verify research plans, implementation methods, and assessments of outcomes, etc., with a view to having them reflected in practical work,

[6] Cooperating with Decommissioning Operations and Other Research and Development Projects

Possible contributions of results obtained to decommissioning operations and other research and development activities shall be verified and sorted out, and cooperative efforts with other research and development projects towards decommissioning shall be pursued.

* A flexible implementation set-up shall be developed to make discussions on the Mid- and Long-term Road Map and discussions in meetings of the Joint Office for the Meeting of the Team for Decommissioning and Countermeasures against Contaminated Water reflected in project implementation.

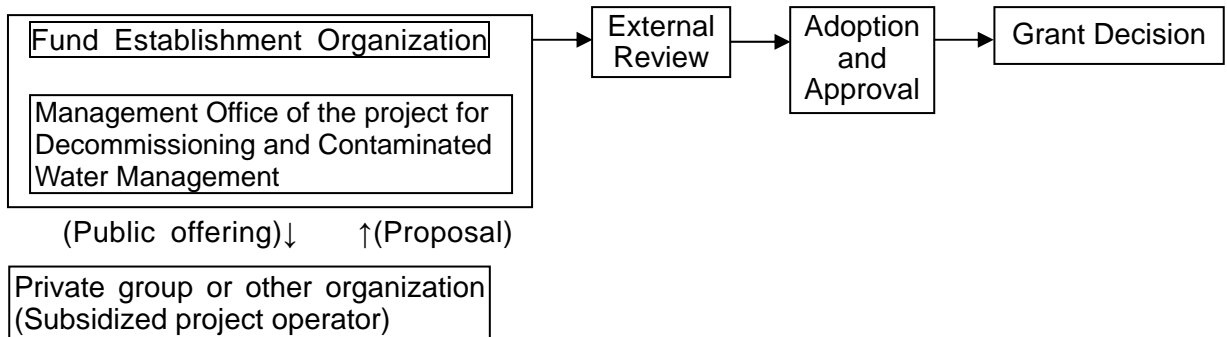
3. Project Implementation Period

From the date of decision of subsidy granting through March 31, 2015

This Project envisages the implementation of research & development up to the fiscal 2015 year. Accordingly, in preparing the application documentation, please specify the project implementation plan and contents of up to the end of March 2015 covered by the current subsidization project on the preposition that research & development will be carried out up to the fiscal 2015 year and then specify the implementation plan and contents of from April 2015 through the end of March 2016 when this Project is due to be terminated.

* Please note that subsidized projects may cease to be so as from the following fiscal year, depending upon the performance during each fiscal year, policy judgment and conditions of fund management and etc.

4. Project Scheme



5. Application Requirement

The private organizations etc. satisfying all of requirements (1) to (7) shown below are qualified to apply for the subsidies. Applications from consortia are also acceptable. In that case, a managing legal entity must be appointed out of each consortium and submit the project proposal. (Please note that no managing legal entity may commission the entire work to another legal entity.)

- (1) Possessing the organizational set-up for properly implementing the relevant subsidized project.
- (2) Having the capacity, knowledge and experience required for implementing the relevant subsidized project.
- (3) Having the management foundation required for smoothly implementing the relevant subsidized project and sufficient ability to control the funds and other resources.
- (4) Being able to implement the relevant project according to Japanese law and regulations and being able to follow the appropriate accounting procedures in accordance with METI's "Grant Policy for Subsidy for the Project for Decommissioning and Contaminated Water Management". (*)

* http://www.meti.go.jp/information_2/downloadfiles/jimusyori_manual.pdf

- (5) Not falling under the case where Articles 70 and 71 of Cabinet Order on Budgets, the Settlement of Accounts, and Accounting are applicable
- (6) Not falling under any case where any of the requirements stipulated in the First Column of each Item of the Appended Table of the "Guidelines for the Suspension of Subsidies Controlled by the Ministry of Economy, Trade and Industry (METI) and the Suspension of

Designation relating to the Contracts” (Accounting Division Regulation No.1 of January 29, 2003) is applicable.

- (7) To participate in the briefing meeting on the implementation of the Project and procedures for the application of project subsidy or to be personally briefed when receiving a copy of the Guidelines on Procedures for the application of project subsidy relating to the specific project concerned.

6. Requirement Conditions for Grant Decision

- (1) Number of Proposals to be Adopted: One

- (2) Subsidization Rate and Amount of Subsidy

A fixed amount with a maximum of 890 million yen

- (3) Time of Payment

In principle, the subsidies are paid after the project is completed.

*Please note that cases where the payment (i.e. the payment by estimate) before the completion of the project is permitted are limited.

- (4) Confirmation of the amount of payment

The amount to be paid is decided based on the result report which is submitted by the operating entities after the project is complete as well as the results of the survey at the verification site and/or the office.

The amount to be paid will be the total of the expenses to be covered by the subsidies, which do not exceed the granted subsidy amount. For this reason, the account ledgers, receipts and other documents are necessary for supporting all the expenses. All the expenses will be strictly inspected and the expenses are strictly evaluated. Thus, the expenses not meeting the conditions mentioned above may be rejected.

7. Application Procedures

- (1) Application Period

Commencement: Friday February 28, 2014

Deadline: 10:00 am Monday March 31, 2014. No application accepted after the deadline

- (2) Information Session

— Day and Time: Monday March 10, 2014 10:30-11:00

Venue: Mitsubishi Research Institute, Inc. (Capital Hotel Tokyu Office Building 2-10-3 Nagata-cho, Ciyoda-ku, Tokyo 100-0014) 4th floor Conference Room CR-B

Map : http://www.mri.co.jp/company/info/office/headoffice_map.html

If you would like to attend the session, please inform the contact point mentioned in “12. Contact” by 10:00 AM on Friday March 7 via email.

When making contact, please title your e-mail “Register for Attendance at the Information Session for ‘the Fiscal 2013 Budget Subsidized Project for Decommissioning and Contaminated Water Management (Development of Technologies for Characterization and Processing of Fuel Debris)” and include the “ Organization name,” “Name of the attendee,” “Department,” “Phone number,” “Fax number,” and “e-mail address” in the main text.

Due to the limited capacity of the venue, we regret we have to limit the number of attendees to 2 persons for each applying organization (In the case of a joint application from a consortium involving more than one organization, such consortium shall be regarded as one organization entitled to 2 attendees). Please note that in case the number of participants is large, more than one information session may be organized with a readjusted schedule.

(3) Application form and other documents to be submitted

[1] Please submit the following documents as one file. Please title your file “Application for the Fiscal 2013 Budget subsidy program ‘Project for Decommissioning and Contaminated Water Management Development of Technologies for Characterization and Processing of Fuel Debris)”.

- Application form (Form 1)
- Outline of Subsidy Project (Form 2)
 - Contents and implementation method of the proposed subsidy project concerned as well as project plan
 - Performance record of other subsidy projects of the same kind with the proposed subsidy project concerned or an explanatory note on the technological capability (knowledge and capabilities) for implementing the proposed subsidy project
 - Explanatory note on accounting set-up for the implementation of the proposed subsidy project (Including accounting capability, set-up for filing and keeping in custody documentary evidence and others relating to expenditures as well as the state of finance)
 - Proposed cost estimate corresponding to the amount of subsidy applied for (including unit cost estimate standards) and financial planning document, if asked
- Other Documents
 - Outlines of corporation or organization (Name, headquarters, date of incorporation, major business, organizational chart, principal business areas and the number of employees)

- The financial results, and statement of revenues and expenses (of the preceding year)
- The articles of Association or the act of endowment
- Other supporting documents

* You must submit 10 copies of the application documents using A4 paper. You can describe them in Japanese or English. One CD-ROM must be submitted along with the hard copies. As a general rule, the file format must be Ichitaro, MS-Word, MS-PowerPoint or MS-Excel. If you have unavoidable reasons not to be able to use these formats, please contact us.

[2] All the application documents submitted will not be used for any purposes other than the evaluation in the course of the selection process. Please note that the application documents submitted will not be returned. We take the utmost care to preserve confidentiality. However, if your proposal is adopted, the information except the non-disclosure information (i.e. the personal information, the information detrimental to the legitimate interests of legal entities) may be disclosed under the “Act on Access to Information held by Administrative Organs” (Act No. 42 enacted on May 14, 1999).

[3] The costs spent for issuing the application documents and other documents will not be included in the expenses. Also, the costs spent for issuing those documents will not be compensated for regardless of whether the proposal is adopted or not.

[4] The matters described in your proposal are considered to be the fundamental policies which should be observed during the project. Consequently, please be sure to describe only the matters, which are feasible within the budget. Also, please note that even if your proposal is adopted, it may be rejected later on if you make a significant change to it at your discretion.

(4) Place of submission

The application documents must be delivered to the following address via hand-carry and postal mail, etc.

Mitsubishi Research Institute, Inc
c/o Science and Safety Policy Research Department/ Management Office of the
project for Decommissioning and Contaminated Water Management
2-10-3 Nagata-cho, Chiyoda-Ku, Tokyo 100-0014
Contact point: Takizawa, Ueno

* The application documents sent via Fax and electronic mail shall not be accepted.

Incomplete documents shall be rejected and not subject to evaluation. Therefore, please carefully read and follow the procedures for application to fill out the documents correctly.

* Any application document submitted after the closing date shall not be accepted. If you send the documents by postal mail, they may not be delivered by the designated time on the closing date. Consequently, you are advised to mail them sufficiently ahead of the closing date.

8. Evaluation and Adoption

(1) Method of Evaluation

Evaluation takes place at two stages: The first screening based on the application documents and the second screening involving presentation at the Decommissioning and Contaminated Water Management Project Screening and Evaluation Committee (Presentation sessions by the applicants will be held on Monday March 31 from 11:00 onward one by one in the prearranged order). Due to the limited capacity, the number of participants from the applicant side shall be limited to 4 persons. If necessary, interviews and in situ studies will be organized and the submission of additional documents may be requested.

(2) Evaluation Criteria

Applications are to be comprehensively evaluated based upon the following criteria. However, the applications which have been judged not to meet the criterion[3] and [4] shall be disqualified regardless of evaluation of the other criteria.

[1] Appropriateness and Efficiency of the Contents of the Proposed Project

- The proposed project shall be judged as to whether it can be properly implemented in accordance with the subsidy granting requirements

[2] Appropriateness of Amount of Subsidy Applied for

- Judgment shall be made as to whether or not the proposed calculation of the estimated expenses (Contents of estimation) is reasonable, clear and based on well considered economic rationality.

[3] Technological capabilities (knowledge, abilities)

- Judgment shall be made as to whether the applicant is endowed with the capabilities, knowledge and experience required for the implementation of the proposed project including a good track record in the implementation of similar projects.

[4] Financial Base

- Judgment shall be made as to whether the applicant has the sound financial base and operational control set-up including financial management required for the smooth implementation of the proposed project

(3) Decision on the Selection of the Successful Applicant(s) and its Announcement

The name of the selected applicant(s) shall be announced on the website of PMO (the Management Office of the project for Decommissioning and Contaminated Water Management) and is concurrently notified to the applicant(s) concerned.

9. Granting of Subsidy

The project shall be initiated only after the selected entity has submitted the notice of grant application to PMO and PMO has sent in return the notice of grant determination to the selected entity.

It should be noted that there may occasionally occur changes in the project content & composition, the scale of the project and the amount of subsidy to be granted during the interval between the selection of the entity to be subsidized and the issuance of the notice of grant determination as a result of consultation between the PMO and METI. Please also note that the subsidy may not be granted if the granting requirements are not met.

The Subsidized project operating entity may be provided with information required to implement the project after the issuance of notice of grant determination, it may be requested to observe confidentiality depending on the nature of the information provided.

10. Allocation of Expenses

(1) Classification of Expenses Covered by Subsidy

The expenses covered by the subsidy shall be those directly required for the implementation of the project whose specific items are listed below. The final expenses covered by the subsidy shall be decided upon in consultation with METI.

Items of Expense	Description
(1) Labor cost	Expenses for personnel required to implement the subsidized project

(2) Operating cost	Expenses for raw materials, consumables, design/fabrication/processing, facility/equipment, goods purchase, research, outsourcing, travel, remunerations, rent/depreciation and other necessities.
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(2) Direct Expenses not to be Included in Expenses Covered by Subsidy

- Office supply equipment (furniture such as desks, chairs and bookshelves, office machinery and so forth) with which the applicants are supposed already to be provided when considering the nature of the project.
- Expenses incurred for handling accidents and disasters that have occurred during the project. (However, there are cases where cancellation fees incurred for reasons not attributable to subsidized entities may be included as direct expenses. Please consult the person in charge on this matter.)
- Expenses unrelated to the project

(3) Exclusion of Consumption Tax from Expenses Covered by Subsidy

If general and local consumption taxes (hereafter referred to as “consumption tax”) are included in the subsidy amount, the applicants shall be requested to submit a report after the settlement of tax amount, according to the granting guidelines.

This is so specified as to demand, at the time of filing an income tax return, that subsidized project operating entities should report and return the amount to which the subsidy has been applied, out of the amount of deduction for taxable purchase, so that the amount for which the subsidy has been allocated out of the amount of deduction for taxable purchase shall not be detained.

However, because the report mentioned above is based on an income tax return that will be filed after the settlement of the subsidy, occasional delinquency in reporting due to lapse of memory has been found. Also, in order to avoid the complicated office procedures that need to be followed by subsidized project operating entities, the consumption tax shall be handled as follows.

When determining the amount of subsidy applied for in the grant application, the consumption tax must be excluded from the expenses covered by the subsidy before calculating the subsidy amount and submitting the application.

However, to avoid hindrance to the implementation of the subsidized project, such subsidized project operating entities as those listed below shall be permitted to include the consumption tax in the expenses covered by the subsidy when calculating the amount of subsidy.

- [1] Subsidized project operating entities who are not classified as taxpayers under the Consumption Tax Act
- [2] Subsidized project operating entities who are tax-exempt business entities
- [3] Subsidized project operating entities who are business providers subject to simplified tax
- [4] National or local governments (limited to cases when project is conducted with a special account), or subsidized project operating entities who are corporations listed in the attached Table 3.
- [5] Subsidized project operating entities who are using the general account of a national or local government
- [6] Subsidized project operating entities who are taxable business providers that choose a refund of consumption tax, following confirmation of consumption tax and purchase tax deductions, for instance due to a low amount of taxable sales

11. Miscellaneous

- (1) Any expenses incurred before the date when the decision on grant of the subsidy is made (including expenses for order placement) shall not be covered by the subsidy program.
- (2) In the event that the subsidized project operating entity desires to make a purchase or other contract related to material procurement or involving an occurrence of cost, it shall invite open competitive bidding, as a general rule, from the viewpoint of cost effectiveness. If the subsidized project operating entity desires to outsource part of the subsidized project to a third party or conduct the project in partnership with a third party, it shall in advance make a contract on the implementation and report this to PMO.
- (3) Once informed that the decision on grant of the subsidy is made, the subsidized project operating entity shall not change the subsidy budget distribution or the details of the subsidized project nor interrupt or terminate the project without prior approval from PMO.
- (4) The subsidized project operating entity shall promptly report the progress of the subsidized project and so on whenever required to do so by PMO.
- (5) After the subsidized project is completed (or the project termination is approved), the subsidized project operating entity shall submit a project result report to the management office.
- (6) The subsidized project operating entity shall keep accounts on any expenditures for the subsidized project with dedicated account books accompanied by all written evidences in a way that is clearly differentiated from the other accounting to ensure that all incomes and expenditures are meticulously accounted for. The entity shall maintain the account books at

least five years after the fiscal year in which the date of completion (or the date of approval for termination) is included so that they can be accessible whenever requested by METI, fund establishment organization and PMO.

- (7) With respect to the assets acquired or the utility of which has increased through the subsidized project (hereinafter referred to as "the Acquired Assets, etc."), the subsidized project operating entity shall manage them with due care of a prudent manager even after the completion of the subsidized project, and strive to effectively make use of them in accordance with the purpose of the grant of the subsidy. All applicable Acquired Assets, etc. shall be properly controlled using an Acquired Asset Ledger during the asset disposal restriction period, which will be separately set forth.
- (8) If the subsidized project operating entity needs to dispose of (i.e., use, transfer, loan or offer as collateral assets contrary to the purpose of the grant of the subsidy) any Acquired Asset having a unit price equal to or higher than 500 thousand yen (tax excluded) during the asset disposal restriction period separately set forth, they must obtain prior approval. In this case, the entity shall pay part of or the entire subsidy amount as a general rule. (The maximum payment does not exceed the subsidy amount for the appropriate asset to be disposed of).
- (9) After the completion of the subsidized project, the Board of Audit may visit the premises of the subsidized project operating entity for inspection.

12. Contact

Mitsubishi Research Institute, Inc
c/o Science and Safety Policy Research Department/ Management Office of the
project for Decommissioning and Contaminated Water Management
2-10-3 Nagata-cho, Chiyoda-Ku, Tokyo 100-0014
Contact: Takizawa, Ueno
Tel.: 03-6705-6041 FAX: 03-5157-2145
E-mail: hairo-jimu@mri.co.jp

Inquiries must be only by electronic mail or Fax. No inquiry by telephone shall
Be accepted.

(Form 1)

No.	
*Leave blank.	

TO Management Office of the project for Decommissioning and Contaminated Water Management

Subsidy to be Granted under the Fiscal 2013 Year Budget Project for “Decommissioning and Contaminated Water Management (Development of Technologies for Characterization and Processing of Fuel Debris)”

Application

Applicant	Company/Organization Name		
	Representative (Full Name and Title)		Seal or Signature
	Address		
Contact	Contact Person (Full Name)		
	Section/Department		
	Title		
	Telephone (Extension, if any)		
	E-mail		

(Form 2)

No.	
*Leave blank.	

Subsidy to be Granted under the Fiscal 2013 Year Budget Project for “Decommissioning and Contaminated Water Management (Development of Technologies for Characterization and Processing of Fuel Debris)”

Project Proposal

1. Objective, Contents and Implementation Method of the Proposed Project
<ul style="list-style-type: none">* Please describe the background and objective of the proposed project* Please describe the specific implementation method and content of the proposed project for each item of project content as enumerated in 2 of the Guidelines of Application for Project Subsidy* Please describe your specific suggestions to enhance the impacts of the proposed project
2. Project Implementation Schedule
<ul style="list-style-type: none">* Please describe implementation schedule (on a monthly basis) for each item of project content as enumerated in 2 of the Guidelines of Application for Project Subsidy* In so doing, please make sure that specific implementation procedures be easily understood* Please set and describe specific goals for achieving the objectives in terms of milestones.* Please schedule approximately every Quarterly progress report (Interim and final reports) meeting
3. Organizational Set-Up for Project Implementation
<ul style="list-style-type: none">* Please indicate the organizational chart for project implementation, number of the personnel in charge with their respective responsibility and role* Please indicate the curriculum vitae, field of expertise, and past performance record in the implementation of similar projects of the person with overall responsibility for project implementation and project-leader-class personnel* If outsourcing is being planned, please describe the outlines of such plan.

4. Project Performance Record
<p>* Please describe the past performance record of your organization in the implementation of similar projects. In so doing, please cover the following items</p> <ul style="list-style-type: none"> • Name of project, outlines of project, year of project implementation, outsourcing entities (If it was your own project, please indicate to that effect) <p>* Field of expertise and past performance record in the implementation of similar projects of major persons fully engaged in the implementation of the proposed project(Please exclude the persons already covered in Section 3 above)</p>
5. Financial base and Set-Up for Operational Control
<p>* Please describe the state of finance and the financial control structure (System for filing and safe-keeping of custody of documentary evidence and the like relating to expenditures as well as the personnel responsible for financial control and their respective role)</p>
6. Total Project Cost (in 1000 yen)
<p>* Please describe the required cost according to the classification of cost items as mentioned in Section 10 (1) of the Guidelines of Procedures for subsidy application. Please note that cost items mentioned there are on a for-example basis.</p>
I Labor cost
<p>II Project Cost</p> <ul style="list-style-type: none"> [1] Design, manufacture, and processing [2] Consumables [3] Travel [4] Gratuity [5] Outsourcing
Total Amount (In 1000 yen) (*Please make sure that the total amount be within the maximum amount of subsidy granted)

(Note) Please make sure that the amount of each cost item be one with general and regional excise taxes deducted.

Other Documents

- [1] Outlines of corporation or organization (Name, headquarters, date of incorporation, major business, organizational chart, principal business areas and the number of employees)
- [2] The financial results, and statement of revenues and expenses (of the last year)
- [3] The articles of association or the act of endowment
- [4] Other supporting documents