

Japan-U.S. Energy Problems as Seen in 3rd Armitage Report

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A report of great interest for Japan—a nation that has been plagued with various key domestic and external problems and put at a juncture—has been released. Titled “The U.S.-Japan Alliance: Anchoring Stability in Asia,” it is also called “the Armitage report” after former Deputy Secretary of State Richard Armitage, who is one of its key authors. It is also described as the third Armitage report following those published in 2000 and 2007.

What is the importance of the report for Japan? Given that the United States and, especially, Japan are facing tough conditions, the report recognizes that the present Japan-U.S. alliance is in a tough situation. “The health and welfare of one of the world’s most important alliances is endangered,” it says. Citing significant economic weight, capable military forces, global vision, and demonstrated leadership on international concerns as requirements for tier-one countries, the report questions whether the Japanese government and people desire to maintain Japan’s tier-one status. It goes so far as to say, “If tier-two status is good enough for the Japanese people and their government, this report will not be of interest.” At the same time, however, the report calmly analyzes Japan’s present real power, concludes Japan as “fully capable of remaining a tier-one nation,” and makes clear the United States’ expectations of Japan as its alliance partner, stating, “The United States needs a strong Japan no less than Japan needs a strong United States.” The report also says, “Japan has been a leader in Asia in the past and can continue to be in the future.”

As a matter of fact, Japan faces a mountain of complex and difficult problems, broadly ranging from diplomatic challenges to economic, industrial, and energy problems. In this sense, the report provides analyses and recommendations on key topics, including economics and trade, relations with neighboring countries, and a new security strategy. Interestingly, energy security tops the list of key topics. I may be able to say that the report emphasizes energy security as a very grave, urgent issue for the United States and, especially, Japan.

Furthermore, the nuclear energy problem remarkably comes first in the section on energy security. All Japan’s nuclear plants were halted once as national worries about nuclear power generation safety grew after the unprecedented combination of the March 2011 earthquake-tsunami disaster and the Fukushima Daiichi nuclear plant accident. But Prime Minister Yoshihiko Noda

decided to restart the third and fourth reactors of Kansai Electric Power Co.'s Ohi nuclear plant while enhancing their safety. The report evaluates the cautious resumption of nuclear generation as "the right and responsible step." This is because the absence of nuclear generation is expected to force Japan to expand oil, natural gas, and coal imports to the disadvantage of its economy, industry and productivity. The report also points out that nuclear generation plays great roles in both energy security and global warming prevention efforts as an increase in fossil fuel consumption would inevitably boost carbon dioxide emissions.

As for external relations, the report recognizes that Japan is responsible for enhancing nuclear generation safety in Asia and the rest of the world by taking maximum advantage of lessons learned from the Fukushima accident at a time when China and other Asian developing countries go ahead with large-scale nuclear generation programs. It also calls for close Japan-U.S. cooperation in this respect, indicating that the United States is deeply interested in Japan's nuclear generation problem.

The second topic regarding energy security is natural gas. Given the ongoing shale gas revolution in the United States and Japan's growing dependence on natural gas after the "March 11th" disaster, natural gas has become a major energy issue for Japan and the United States. The present conditions of the two countries lead to the possibility of U.S. liquefied natural gas exports to Japan. In this regard, the report calls on the United States to take a positive stance on LNG exports to Japan and be an ally for Japan in securing natural resources.

The report, as a matter of course, points to economic, political and environmental constraints and matters of concern on LNG exports to Japan. In particular, an institutional problem is that LNG exports to Japan, which has no free trade agreement with the United States, are subject to U.S. government approval. Given this key point, the report says, "The United States should not resort to resource nationalism and should not inhibit private sector plans to export LNG." Considering that Japan is in a critical situation, the report demonstrates a stance of prioritizing a stable LNG supply to Japan. The report essentially calls for reforming institutional and legal constraints on LNG exports to Japan. The White House should at least support and prioritize LNG exports to Japan under present law, the report says.

The United States may be unprecedentedly concerned about the Japanese situation. The report can be interpreted as indicating that the United States has concerns and worries about Japan's future course while placing expectations on and supporting Japan as a key partner at a time when the balance of power in the Asia-Pacific region is changing due to the rise of China.

In its conclusion, the report says, "It is our view that Japan is at a critical juncture." While viewing Japan as being able to maintain and demonstrate its power and leadership, however, the report can be interpreted as giving some warning or request to Japan as a U.S. ally. With the dynamic changes taking place throughout the Asia-Pacific region, it says, Japan will

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likely never have the same opportunity to remain a tier-one country and help guide the fate of the region. Japan thus now faces a crucial test.

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