French President Nicolas Sarkozy visits Japan to offer support following the earthquake. Meanwhile, tempers flared at a press conference at Tokyo Electric Power Co. yesterday. WSJ's Mariko Sanchanta and Yumiko Ono discuss.

TOKYO—Officials at Japan's Fukushima Daiichi nuclear-power complex said late Thursday they had found radioactive groundwater just outside a troubled reactor building, capping a day of uncertainty that saw Japan's prime minister question the country's pursuit of nuclear power.

In a brief statement, Tokyo Electric Power Co., the plant's operator, said a test of groundwater conducted the previous day at the site revealed radioactive iodine-131—a common isotope found there since it was damaged by the earthquake and tsunami on March 11—at levels 10,000 times the limit Japan sets for seawater.

A Tepco spokesman said shortly after the statement was released that the reading may have been in error and would be reviewed and re-released Friday. That echoed a similar moment last weekend in which the company released radiation readings from around the plant only to amend them down several orders of magnitude, exposing...
Radiation Levels in Japan

The Japanese government monitors radiation levels around the country. Track these measurements over time.

Reactor Monitor

A Tepco spokesman said the sample had been taken just beyond the cement containment foundation of reactor No. 1 at a depth of about 15 meters. Following reports of contamination in sea water and in small amounts in some tap water, this would mark the first report of contamination in groundwater.

The Fukushima Daiichi plants are built on the shore. Groundwater beneath appears to be linked to tidal flows.

It was unclear how contamination in water beneath the plant could spread or where it came from—whether from airborne particles brought down by rain, from runoff from the cooling water sprayed at No. 1 and other reactors, or from radiation possibly leaking out of the unit itself.

The Tepco spokesman who offered details on the test said water couldn't leak into the ground directly from the reactor unit, since it sits on a bed of concrete that is built on solid rock.

Depending on the source of the water, the findings could shed light on a rise in radiation levels in the nearby seawater over the past two days. Earlier Thursday, Hidehiko Nishiyama, a spokesman for the Nuclear and Industrial Safety Agency, said a reading taken in the sea just off the complex the previous day showed levels of radioactive iodine at 4,385 times the permitted level, up from 3,355 times on Tuesday. He said the rise could possibly be due to a continuous leak of highly radioactive material from the area around the crippled reactors.

Mr. Kan said Japan must review its long-term energy policy, one that relies heavily on nuclear power as a way to meet the nation's commitment to slash oil consumption and greenhouse-gas emissions. In an ambitious policy blueprint unveiled just last year, Japan had said it planned to build 14 new nuclear reactors by 2030, adding to the existing 54.

"Human wisdom has made it possible to generate energy from nuclear power. But we have also allowed a huge accident like this to happen," Mr. Kan said.

The prime minister raised the possibility that the government would take a greater role in nuclear-power operation. His comments, delivered in Tokyo at a press conference with French President...
Nicolas Sarkozy, appeared to take direct aim at Tepco, the subject of recent speculation that it could be nationalized. "Once this crisis is brought under control, we need to have discussions on how our power companies should look, including whether they should continue to exist," he said.

Documents reviewed by The Wall Street Journal this week showed that Tepco had a bare-bones and apparently outdated plan in place to deal with disaster at the site, and that the plant's managers considered the possibility of a severe accident"so small that from an engineering standpoint, it is practically unthinkable." These disaster-preparedness plans were approved by Japanese regulators.

Tepco and industry officials couldn't be reached Thursday night to comment.

On Wednesday, Tepco Chairman Tsunehisa Katsumata said the company would do its utmost to stay a private company but acknowledged its financial prospects are dire. "No matter how much funds we have, they're not enough," he said.

On Thursday, Moody's Investors Service announced a second downgrade of Tepco's debt rating since the March 11 natural disasters.

The prime minister's apparent skepticism about Japan's nuclear ambitions will raise questions about the resource-poor country's ability to secure supplies of coal, natural gas or other power sources as rivals like China and other faster-growing nations bid for them, too. It could also raise questions about Japan's ability to meet its international obligations to reduce global-warming emissions.

Also Thursday, government and Tepco workers at the power plant failed for the second straight day to pump out water that has flooded the foundations of three reactor buildings and threaten to spill out toward the ocean if they rise much more. Workers were in the process of moving water around the plant to free up space to drain potential spillover from underground shafts that surface only a short distance from the coastline.

Separately, chief government spokesman Yukio Edano said Thursday the government has no plans to change its 12-mile evacuation zone for now but will beef up monitoring of radiation levels in affected areas.

His comments followed a statement from the International Atomic Energy Agency that one of its teams had detected radiation from cesium-137 that is double their recommended limit in the town of Iitate, about 24 miles northwest of the Daiichi plant. The IAEA said the sampling was done from March 18-26 in nine municipalities and that the readings in other areas were within permissible levels.

"If there are potential health effects over the long term, we may have to consider expanding the evacuation area," Mr. Edano said.
Still, in other surrounding parts of Japan, radiation levels continued to fall, according to government data, and the temperatures at the plant's most damaged reactors remained steady.

Mr. Kan and Mr. Sarkozy said they agreed to make nuclear-power safety a major topic at coming meeting of the Group of 20 nations in May and push for the member nations of the International Atomic Energy Agency to put together a new set of safety rules by the end of this year.

"It’s fundamentally wrong that such international standards don’t exist," Mr. Sarkozy said. France, which derives 80% of its energy needs from nuclear power, has offered assistance to fight the crisis, offering robot technology through nuclear giant Areva SA and in dismantling and processing contaminated buildings.

Nuclear-power operators and manufacturers from around the world are concerned that the latest accident in Japan will result in a backlash against the industry. The companies were beginning to go through a surge in new orders, benefiting from the drive for energy with lower greenhouse-gas emissions and rising power demand in emerging economies.

—Kosaku Narioka, Kenneth Maxwell and William Sposato contributed to this article.

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