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MEMORANDUM

NATIONAL SECURITY COUNCIL

February 16, 1979

MEMORANDUM FOR:

JOHN DEUTCH
ELIOT CUTLER
TOM PICKERING

FROM:

JESSICA TUCHMAN MATHES *JTM*

SUBJECT:

Acceptance of Foreign Spent Fuel

Attached is a revised version of a proposed position paper to be used in forthcoming DOE testimony on this subject. It incorporates comments received on the earlier draft from DOE, State, OMB and others.

Note that this version states that we would accept spent fuel in cases where we would achieve a non-proliferation benefit, rather than defining three separate categories as in the earlier draft. This enables us to avoid labeling countries as "non-proliferation risks" which would not only damage our bilateral relations with the country in question, but could also jeopardize subsequent nuclear exports to that country. In order to keep this problem to a minimum, I have not included the names of any countries in the statement. I believe we all agree on the list of candidate countries that could be used in answer to a member's question: Denmark, Sweden, Yugoslavia, Finland, Philippines, Mexico, the non-nuclear states in EURATOM, Switzerland, Japan, India, Taiwan, South Korea, South Africa, Egypt, Argentina, Brazil, Pakistan. In fact, since almost any country could be a candidate in the right circumstances, it seems that the best strategy would be to give a short list of a few different types of countries and leave it at that.

One issue which we haven't adequately thought through is the question of how we would handle cases where we wanted to get spent fuel out of a certain country (e.g., India) and where that country would certainly not consider paying the transportation costs. We could answer such a question by saying that the other country would pay transportation costs "unless otherwise provided in a subsequent arrangement under section 131f of the NNPA." The unanswered question is where would the money come from? We need an answer to that.

CONFIDENTIAL

Review February 16, 1985

CONFIDENTIAL

2

Otherwise I think we are in pretty good shape on this. In answer to Congressional demands for more specificity, we should emphasize that we have kept our international conversations on this possibility to a minimum so as not to preempt Congressional consideration. McClure-type details (detailed descriptions of modes of transportation, storage, existing facilities elsewhere, etc., etc.) can obviously not be answered until we know where the AFR will be and where the fuel will be coming from.

DOE has to testify on this in the very near future, so would all recipients of this please let me know if they have any problems with it as soon as possible (by Tuesday noon).

cc: Kitty Schirmer
Gus Speth
Ted Greenwood / Phil Smith
Joan M. Davenport
Charles Van Doren

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Administration Position on the
Acceptance of Foreign Spent Fuel

6B

The United States proposes to accept limited quantities of foreign spent power reactor fuel for storage in this country. This offer should be seen as a key element of a strategy by which the US is (1) trying to bring about change in the views and plans of other governments on the commercial use of plutonium, and (2) taking this initiative as an interim measure pending the creation of an international system (e.g., multinational spent fuel repositories) for handling spent fuel. Until such new international arrangements can be agreed upon, some alternative must be available, or some nations will have no alternative but to reprocess.

The US would propose to accept fuel from foreign countries in cases where doing so would provide a clear non-proliferation benefit, particularly by providing an alternative to early reprocessing. On the other hand, the terms of our offer will make clear that it cannot be used as an alternative to the construction of adequate storage facilities in other countries. In its implementation of this program, the Administration will pay particular attention to the existence of a prudent spent fuel pool construction program in the country concerned.

The US proposes to limit the amount of fuel it would accept from any single country to about 150MT, and the total foreign fuel it will accept in the next decade (until 1988) to about 1000 MT. (150MT corresponds to the fuel processed through a 1000 megawatt reactor for about five years.)

The costs charged and terms offered would be the same as for domestic US customers, i.e., fixed fee with costs of delivery to the AFR borne by the customer, title transfer to DOE, with appropriate refund if and when the material is reprocessed. The interval during which the fuel from a given country could be delivered would be about five years, and the starting point for delivery would be sometime in the period 1980-1990. This flexibility is necessary because in some cases our non-proliferation interest would be served by an early agreement (for example, in order to avoid immediate signature of a reprocessing contract) but the fuel in question will not be irradiated and cooled until the 1988-1992 period.

The type of non-proliferation benefit that could be obtained through the acceptance of foreign spent fuel could be one of several types. Preeminent among them is that the US offer is a near-term, realizable, concrete alternative to reprocessing. While the creation of multinational storage facilities remains our priority goal, a nearer-term interim option is also necessary. The attainment of other major US non-proliferation goals, such as ratification of the NPT or acceptance of fullscope safeguards is also possible.

The avoidance of a proliferation risk would be another broad category of benefit. For example, it would be in the US interest to remove spent fuel from sensitive regions of the world, such as the Middle East, where there is a significant potential for armed conflict. In other cases the risk involved may spring from problems of domestic terrorism, a potential for use of the fuel for weapons purposes, or the possibility that safeguards might be terminated. The acceptance of foreign spent fuel in these latter types of cases would be essentially an emergency measure, which we hope and expect not to have to use, but which prudence dictates we include in our planning.