

MEMORANDUM TO: Ronald D. Hauber, Director
Division of Nonproliferation,
Exports and Multilateral Relations
Office of International Programs

FROM: Theodore S. Sherr, Chief
Licensing and International
Safeguards Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

SUBJECT: XSOU-8777, EXPORT OF NATURAL URANIUM
AND THORIUM TO CHINA

China is a nuclear weapons state and, therefore, not subject to the full-scope IAEA safeguards requirements of the Non-Proliferation Treaty. We are, however, providing the following information for your consideration of the subject export application. This case involves the export of natural uranium and thorium to China for recovery of tantalum for production of potassium tantalum fluoride for sale to Cabot Corporation for non-nuclear end use.

Safeguards Implementation

Under the Chinese voluntary offer Safeguards Agreement with the IAEA, three Chinese facilities (a power reactor, a research reactor, and an enrichment facility) have been placed under active safeguards by the IAEA. China completed negotiation of its Additional Protocol, which was approved by the Board of Governors and signed December 31, 1998.

Physical Protection

Although staff have not visited China within the past decade to evaluate the implementation of physical protection in China or received a statement from China declaring that physical security measures are being provided in accordance with INFCIRC/225, China is actively working to improve the protection of its nuclear materials through inviting teams of U.S. and international experts to visit its facilities and to make presentations of safeguards and security issues and by sending its experts to observe how safeguards and security are being implemented in other countries.

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