

November 4, 1992

MEMORANDUM FOR: Harold R. Denton, Director
Office of International Programs

FROM: Samuel J. Chilk, Secretary /s/

SUBJECT: SECY-92-359 - ENERGY POLICY ACT OF 1992 (H.R.
776) PROVISIONS AFFECTING NUCLEAR EXPORTS

The Commission (with the Chairman and Commissioners Curtiss, Remick and de Planque agreeing) has approved the proposed letters to the Departments of State and Energy with the changes indicated in the attachment. The letters should also be updated to reflect the President's signing of the bill. Commissioner Rogers did not participate in this matter.

Attachment:
As stated

cc: The Chairman
Commissioner Rogers
Commissioner Curtiss
Commissioner Remick
Commissioner de Planque
OGC
OIG
Office Directors, Regions (via E-Mail)
OP, SDBU/CR, ASLBP (via FAX)

SECY NOTE: THIS SRM, SECY-92-359, AND THE VOTE SHEETS OF THE
CHAIRMAN AND COMMISSIONERS REMICK, CURTISS AND
de PLANQUE WILL BE MADE PUBLICLY AVAILABLE 10
WORKING DAYS FROM THE DATE OF THIS SRM

The Honorable Lawrence S. Eagleburger
Acting Secretary of State
Washington, D.C. 20520

Dear Mr. Secretary:

Section 903 of the Energy Policy Act of 1992 requires the Chairman of the Nuclear Regulatory Commission (NRC) to submit to Congress within 90 days a report on the disposition of the highly enriched uranium (HEU) which has been exported from the United States. Because this report is to be developed in consultation with other relevant agencies I am writing to you and Energy Secretary Watkins to request that representatives from your Departments participate with us in a working group to prepare this report.

The Commission is ~~We are~~ directed to include in the report the current location of the HEU, its status with respect to irradiation, whether or not the material has in each case been used for the purpose stated on the export license, and if used for an alternative purpose, whether or not the Commission approved this other use. Also, we are required to include, to the maximum extent possible, retransfers within EURATOM without regard to the extent of U.S. control.

~~I have written a letter to Energy Secretary Watkins inviting the Department of Energy to participate in a working group to prepare the report. I extend a similar invitation to you, requesting Department of State participation in this working group.~~

The Department of State's assistance will be ~~role is~~ especially important in regard to requesting information from EURATOM and the individual countries which have imported U.S.-origin HEU. We anticipate that t~~The working group will need wish~~ to forward U.S. data to individual countries for confirmation or correction and ask for official responses to questions raised in the Section 903 report. Moreover, in view of the special problems associated with retransfers within EURATOM, ~~The report may require a separate discussion of HEU exports to EURATOM and I would greatly value any suggestions you may have gladly entertain your ideas on how best to do this and what should be said.~~

I am enclosing a list of major milestones and a proposed schedule for drafting and clearing the requested report in the 90 days allowed by the Act. I would appreciate your confirmation that this proposed plan is agreeable to DOS. The NRC staff contact for the study is Ronald Hauber, Assistant Director for Exports, Security and Safety Cooperation, Office of International Programs. His telephone number is 301/504-2344.

Sincerely,

Ivan Selin

Enclosure:
Proposed Schedule, Section 903 Report
to Congress on U.S. Exports of HEU

cc w/enclosure:
The Honorable James D. Watkins
Secretary of Energy

The Honorable James D. Watkins,
Admiral, USN (Ret)
Secretary of Energy
Washington, D.C. 20585

Dear Mr. Secretary:

Section 903 of the Energy Policy Act of 1992 requires the Chairman of the Nuclear Regulatory Commission (NRC) to submit to Congress within 90 days a report on the disposition of the highly enriched uranium (HEU) which has been exported from the United States. Because this report is to be developed in consultation with other relevant agencies, I am writing to invite the Department of Energy's participation in a working group to prepare a draft report for review and coordination by our two agencies and the Department of State.

The Commission is ~~We are~~ directed to include in the report the current location of the HEU, its status with respect to irradiation, whether or not the material has in each case been used for the purpose stated on the export license, and if used for an alternative purpose, whether or not the Commission approved this other use. Also, we are required to include, to the maximum extent possible, retransfers within EURATOM without regard to the extent of U.S. control.

The Nuclear Material Management Safeguards System (NMMSS) located at the Oak Ridge National Laboratory contains extensive information on U.S. exports and imports of nuclear material. Moreover, specialists at the Argonne National Laboratory, who are providing technical support to the Department of Energy (DOE) in the Reduced Enrichment for Research and Test Reactors (RERTR) program, have over the last few years, in connection with that program, sorted and augmented the NMMSS data on exported HEU, providing a good foundation for the Section 903 report.

Therefore, I also request that you

~~We would appreciate the DOE's participation in a working group to prepare a draft report for review and coordination by our two agencies and the Department of State. I would also urge you to make available to this effort, given the importance Congress has assigned to the report, one or more of the Argonne RERTR specialists to provide technical support to the effort. This support could be supervised by your working group participant. We will promote close cooperation within the working group to develop and confirm the information requested by Congress, or to explain why such information may not be available in every case at this time.~~

I am also requesting ~~sending a separate letter to the Department of State asking them to use U.S. diplomatic channels to request countries who have received U.S. origin HEU exports to verify U.S. our information on previous transactions and to volunteer~~

additional information. Such additional information could include possible changes in end use, amounts of irradiated and unirradiated material in each country's present inventory, and intra-EURATOM transfers.

Enclosed is a list of major milestones and a proposed schedule for drafting and clearing the requested report in the 90 days allowed by the Act. I would appreciate your confirmation that this proposed plan is agreeable to the Department. The NRC staff contact for the study is Ronald Hauber, Assistant Director for Exports, Security and Safety Cooperation, Office of International Programs. His telephone number is 301/504-2344.

Sincerely,

Ivan Selin

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Proposed Schedule, Section 903 Report
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The Honorable Lawrence S. Eagleburger
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