

November 8, 2002

MEMORANDUM TO: Edward T. Baker, Deputy Director
Office of International Programs

FROM: Catherine Haney, Deputy Director **/RA RNelson for CHaney/**
Division of Nuclear Security
Office of Nuclear Security
and Incident Response

SUBJECT: XSNM-3273, EXPORT OF LOW-ENRICHED URANIUM FOR USE AS
RELOAD FUEL IN SOUTH KOREA

We have reviewed the subject application and provide the following international safeguards and foreign physical protection information for your consideration. This case involves the export of low-enriched uranium pellets to South Korea for fabrication at KEPCO Nuclear Fuel Fabrication Plant (KNFFP) and ultimate use as reload fuel in the Kori-3 and 4, Ulchin-1 and 2, and Younggwang-1 and 2 power reactors.

International Safeguards

South Korea is a party to the Non-Proliferation Treaty and, as such, accepts IAEA safeguards on all source and special nuclear material in its nuclear activities. IAEA Facility Attachments have been negotiated and are in force for the KNFFP fuel fabrication facility and all of the power reactor units mentioned above.

We note that the latest IAEA Safeguards Implementation Report states that, with the exception of the DPRK situation, "...the Secretariat found no indication of diversion of nuclear material placed under safeguards nor of misuse of facilities, equipment or non-nuclear material placed under safeguards. On this basis, the Secretariat concluded that, in 2001, the nuclear material and other items placed under safeguards remained in peaceful nuclear activities or were otherwise adequately accounted for."

Physical Protection

A physical protection evaluation was performed during a visit to South Korea in October 2002. The team visited KNFFP and the Younggwong nuclear power plant and determined that physical protection at both plants is consistent with INFCIRC 225/Rev.4. A previous visit to Kori nuclear power plant in May 1997 determined that physical protection was consistent with the then-current version of INFCIRC 225/Rev. 3. There is no indication that the physical protection program at the other commercial nuclear power plant in South Korea listed in the subject application does not meet the intent of INFCIRC 225.

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Distribution

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