

December 24, 2002

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

FROM: Catherine Haney, Deputy Director /RA Alan Madison for/
Division of Nuclear Security
Office of Nuclear Security
and Incident Response

SUBJECT: XSNM-3283 AND XSNM-3284, EXPORTS OF LOW-ENRICHED
URANIUM FOR USE AS POWER REACTOR FUEL IN JAPAN

We have reviewed the subject export applications and provide the following international safeguards and foreign physical protection information for your consideration. The subject cases involve the export of low-enriched uranium as UO₂ to Japan for fabrication at NFI Kumatori and NFI Tokai and ultimate use as reload fuel for the Genkai-1 through 3 and Onagawa-1 power reactors.

Safeguards Implementation

Japan 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 all of the facilities 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

An evaluation was performed during a visit to Japan in May 1997. The conclusion of this review was that Japan's physical protection program was consistent with the then-current version of INFCIRC/225 (i.e., Rev. 3). Staff has reviewed subsequent information received to date, and has determined that there is no indication that the physical protection program has degraded in this country. In addition, staff has determined, on the basis of currently available information, that Japan's physical protection measures to protect against proliferation of nuclear weapons are in conformance with the current version of INFCIRC/225 (i.e., Rev.4).

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