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POLICY ISSUE
(Information)

September 15, 1994

SECY-94-240

FOR: The Commissioners
FROM: James M. Taylor
Executive Director for Operations
SUBJECT: HEU TRANSPORT (U)

PURPOSE:

~~(S)~~ To inform the Commission of information received by the Staff concerning the U.S. Department of Energy (DOE) purchase and importation of At-Risk Nuclear Materials from Kazakhstan for possible use by a U.S. Nuclear Regulatory Commission licensed corporation.

SUMMARY:

~~(S)~~ The staff was informed that the United States Government (USG) is negotiating with Kazakhstan to purchase for delivery to the Y-12 plant at Oak Ridge, Tennessee, nuclear material from the Ulba Metallurgical Plant, a former Soviet naval reactor fuel facility located in Kazakhstan.

DISCUSSION:

~~(S)~~ Last spring, high-level officials of the Kazakhstan government informed the USG of the existence of a significant amount of strategic nuclear material at the Ulba Metallurgical Plant, a naval reactor fuel facility located in Kazakhstan. The Kazakhstan government asked the USG for help in transferring the material out of Kazakhstan and placing it under International Atomic

CONTACT:

Robert C. Pierson, NMSS
(301) 415-7190

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Robert F. Burnett, Director
Division of Fuel Cycle Safety
and Safeguards, NMSS

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By authority of: DOE Guide on
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(S) Energy Agency (IAEA) safeguards until its final disposition. A U.S. survey team that visited the plant found the material to be poorly secured and recommended that this proliferation threat be removed to safe storage as quickly as possible.

(S) Following a National Security Council led interagency working group interaction with Kazakhstan and Russia, negotiations with Kazakhstan have ensued and the USG is now pursuing an agreement that this material be purchased. [REDACTED]

EX.1

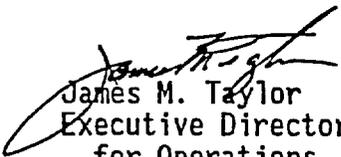
[REDACTED] Following these negotiations, the DOE and the Department of Defense teams will pack and ship the material back to the Y-12 plant at Oak Ridge for interim storage. DOE is presently working on the legal and technical preparations for transferring the material to Y-12. Since this is the first foreign fuel shipment of High Enriched Uranium (HEU) to Oak Ridge, it will be necessary to amend DOE's Environmental Assessment (EA).

(C) On September 6, 1994, the NRC staff learned from DOE that this material consists of approximately 500 kilograms of HEU. The material includes 200 kilograms of metallic 90 percent HEU in 1-inch by 1-inch cylinders and 300 kilograms of HEU alloyed with Beryllium. The total amount of material is approximately 2000 kilograms. This includes the HEU, Beryllium, and scrap.

(C) Although DOE has not yet determined the ultimate destination for this material, Babcock and Wilcox Company, Naval Nuclear Fuel Division (B&W NNFD) at Lynchburg, Virginia, is reportedly a possible contender to purchase this material from DOE for subsequent conversion to feed stock for the commercial fuel market. The staff anticipates that if this material is processed by B&W NNFD, it would be converted to uranyl nitrate, purified, down blended, and converted to a form for sale in the commercial market.

(U) B&W NNFD is currently authorized in its SNM-42 license to store material, but would require a license amendment with an EA to allow the processing of this material. The public notices and staff review time would require approximately 9 to 12 months for the staff to complete its review and issue a license amendment.

(S) Classification of this information is necessary during negotiations and transports to ensure confidentiality. Once the material has been received and secured, the operation will be declassified and made public.


James M. Taylor
Executive Director
for Operations

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