



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

September 20, 1988

MEMORANDUM FOR: Chairman Zech
Commissioner Roberts
Commissioner Carr
Commissioner Rogers

FROM: John C. Bradburne, Director
Congressional Affairs, GPA *JCB*

SUBJECT: BRIEFING ON JAPANESE SUBSEQUENT ARRANGEMENT

The staff of the House Committee on Foreign Affairs has requested NRC staff participation in a briefing on the Subsequent Arrangement modifying the Japanese Agreement for Cooperation to permit sea transport of plutonium. The classified briefing will be by the Executive Branch with NRC representatives available to answer any questions related to NRC's review. The briefing is for staff of the Committee.

The briefing is scheduled for 3 p.m., ~~Thursday, September 22, 1988~~ ^{Monday, Sept. 26}. NRC staff representatives will be Marvin Peterson (GPA/CA) and Mike Smith (NMSS).

CONTACT: S. Kent or B. Keeling, 2-1776

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Congress of the United States
Washington, DC 20515

August 4, 1988

The Honorable Ronald W. Reagan
President
The White House
Washington, DC 20500

Dear Mr. President:

We the undersigned are writing to express our concern over recent reports that the Administration has agreed in principle to give Japan long-term approval to transport by sea U.S.-controlled, nuclear weapons-usable plutonium from Europe to Japan.

Many of us made clear to you our opposition to sea transport of plutonium four years ago in a letter of August 3, 1984, signed by 15 Members of Congress. We warned that "[sea s]hipments of nuclear explosive materials would provide tempting targets for attack by terrorists or even certain countries seeking to quickly acquire significant quantities of nuclear weapons materials." With regard to Japan's first and only sea shipment of plutonium from Europe, pending at that time, we stated: "[T]he United States should avoid sea transportation of this plutonium and of all nuclear explosives material generally, in favor of air transportation."

It is true that, more recently, Congress also has expressed serious concerns over the planned air transportation of plutonium, on environmental and public safety grounds. A crash-proof plutonium shipping cask suitable for large-scale commercial air transport of plutonium still has not been developed and, according to some experts, may never be. Congress has insisted on use of a crash-proof cask due to the fact that a single 300-pound Japanese cargo of plutonium oxide powder represents tens of thousands of potential cancer doses if dispersed over a populated area as the result of a transport accident.

However, continuing Congressional concern over the safety of air shipping plutonium should not overshadow our grave concerns over transporting this material by sea. We remind you that the Department of Defense, charged with ensuring U.S. national security, also has serious concerns about sea shipment of plutonium. A March 1988 DoD study, entitled "Transportation Alternatives for Secure Transfer of Plutonium from Europe to Japan," stated that "[t]he Office of the Secretary of Defense, Joint Staff, and Services have concluded that air shipment via the polar route is preferable to sea shipment...[which would have] a higher cost to military readiness."

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The study also warned that, during sea shipment, "the vessel is accessible and vulnerable throughout the voyage, particularly when the vessel is passing through channels, straits, and other restricted waterways ('choke points'), or when it is near the coast...[In addition] a vessel would make a more attractive target than an aircraft flying a polar route to a terrorist group. ... Finally, even if the most careful precautions are observed no one could guarantee the safety of the cargo from a security incident, such as an attack on the vessel by small, fast craft, especially if armed with modern anti-ship missiles."

Terrorist groups already have demonstrated a capability to attack and even seize ships on the high seas, and that capability likely will increase in the future. For this reason, we firmly believe that any ship used to transport plutonium to Japan must, as occurred in 1984, be escorted by an armed naval vessel.

Clearly, at this time, neither air nor sea transport of plutonium appears attractive. However, if a crash-proof shipping cask can be developed, air transport still is the preferred mode, as we stated in 1984. Until it is determined that such a cask cannot be developed, it is highly premature to discuss approving individual sea shipments of plutonium, let alone a long-term advance approval to Japan for sea shipment of this bomb-usable material. As the March 1988 DoD study concluded: "While sea shipment provides a possible modality, in the opinion of the Department of Defense, any sea alternatives should be pursued only if air alternatives are not available."

In closing, we wish to emphasize four points:

---First, due to the quickly-changing nature of the terrorist threat to sea targets, we believe a multi-year advance approval for Japanese plutonium sea shipments would violate provisions of section 131 of the Atomic Energy Act of 1954, as amended, which require certification by the Executive Branch that a subsequent arrangement will not endanger U.S. national security or increase the risk of proliferation. The Act also requires that the U.S. review and approve the physical security arrangements for all proposed shipments and have the ability to prevent the shipments if the proposed arrangements are deemed inadequate.

---Second, if sea shipment of plutonium is seriously considered in the future, there first must be an in-depth analysis of the national security risks involved and possible counter-measures. As the DoD report stated, "The operational impact of any of these [sea transport] alternatives is such that the Department of Defense would have to study in detail if any sea shipment alternatives were contemplated seriously."

President Ronald W. Reagan
August 4, 1988
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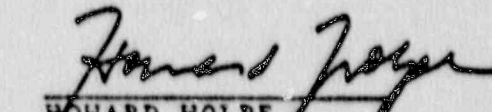
---Third, although it is the United States that must determine -- and be certain -- that the physical security arrangements for all sea shipments are adequate, it is the responsibility of Japan and other nations involved in the shipments (i.e. France and the U.K.) to provide all such necessary measures, including naval vessel escort. We would regard the use of either U.S. Navy or U.S. Coast Guard vessels in this role as highly inappropriate, in view of their demanding primary missions to protect national security and to interdict drugs, respectively.

---Fourth, as we expressed in 1984, if the U.S. does become involved in any aspect of these Japanese plutonium shipments, all associated expenses must be borne by Japan and not the United States. According to the DoD study, "total costs for such a naval escort operation could be in excess of \$2.8 million or more per mission." And, "if there were any attempt to seize or sabotage the vessel or its cargo, the adverse impact [on military readiness] and expense would go up dramatically..." As one of us underscored in a letter to your budget director in 1984, "we do not think it is fair to have the American taxpayer subsidize the Japanese nuclear power industry with free security services."

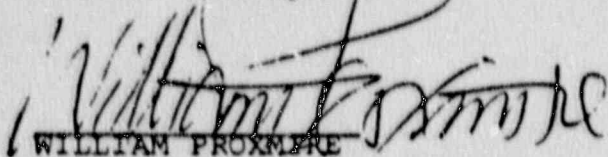
Sincerely,



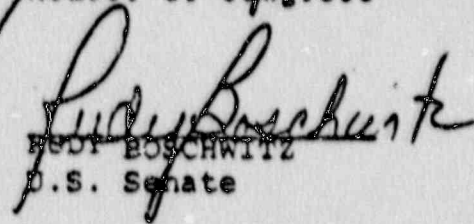
DON BONKER
Member of Congress



HOWARD WOLPE
Member of Congress



WILLIAM PROXMIRE
U.S. Senate



RUDY BOSCHWITZ
U.S. Senate

cc: Secretary of State
Secretary of Energy
Secretary of Defense
Director, Arms Control and Disarmament Agency
Chairman, Nuclear Regulatory Commission ✓

Ted Weiss

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Member of Congress

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Gus Yatron

GUS YATRON
Member of Congress

Howard L. Berman

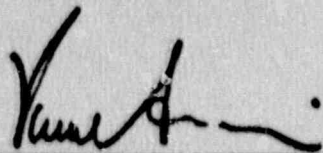
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Edward J. Markey

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PAUL SIMON
U.S. Senate



JOHN F. KERRY
U.S. Senate