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Senator Bingaman, Chairman
Joint Economic Subcommittee
601 Dirkson Office Building
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Dear Senator Bingaman:

I observed a recent period of testimony before the Senate Joint Economic Subcommittee of which you are chairman. Mr. LeMunyon with the Department of Commerce, Mr. Henry Sokolski of the Department of Defense, and Ms. Elizabeth Verville of the State Department, answered questions relative to proliferation in areas of chemical, biological and nuclear technology. Discussion included attitudes of various countries now, as opposed to years past, in matters of proliferation. One witness (State Department) indicated that West Germany or West German firms have improved concerning proliferation. Whereas an improvement in West German attitudes may be somewhat evident, I do not believe they are out of the woods yet.

There is a consortium of United Kingdom, Dutch and West German firms about to come to North Louisiana and construct a uranium enrichment plant in partnership with three (3) stateside public utilities. The utilities have already stated (under pressure) that they will "cash out" prior to construction and after the "venture phase" of the project. Many of the citizens in the affected area are sincerely concerned about the credibility of the West German partners in the consortium. Their track record is not good. Their reputations are not above reproach. In addition, we are very concerned that influence peddling, governmental conspiracy and bribery involving local elected and appointed officials may at this time be occurring using venture money provided by the three (3) stateside public utilities.

Efforts are underway in Congress now to reclassify enrichment plants as materials as opposed to production facilities. I believe this is now before a House subcommittee chaired by Mr. Miller-California. If the licensing requirements are changed, the financial protection of the public with indemnification and the present bar to foreign ownership, domination and control, in addition to other important controls, would be eliminated.

I, as well as others who oppose the privatization of uranium enrichment plants in the United States, are certain

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that the West German firms involved in this consortium are not trustworthy and should not be in the United States. In addition, Congress has never explored the ramifications of the private ownership of uranium enrichment enterprises.

To date only the NRC has agreed to "review" our allegations and complaints against the consortium. It is our opinion that this governmental agency is an advocate of the concept of this private ownership of enrichment plants, and we believe no meaningful findings will occur as a result of the "review". The NRC reportedly has had numerous meetings with the "venture" partners and that apparently no licensing problems are anticipated by that agency.

Some of the West German firms which will and possibly could be involved in the Louisiana plant and which have and could have serious proliferation records are NUKEM, URENCO, TRANSNUCLEAR and AMERICAN NUKEM, N.J. Allegations of illegal sales of chemical, biological and nuclear technology and materials have been made against some of the firms by the West German government and has been reported in the American and West German press. Some countries involved are Iraq, Brazil and Pakistan.

There is, in my opinion, ample cause for an in depth investigation by our government into all phases of this situation.

Sincerely,

Rudy Grafton

RG:klm

cc: Senator Albert Gore
Joint Economic Subcommittee
601 Dirksen Office Building
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Department of Commerce
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Bureau of Export Administration
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Department of Defense
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Non-Proliferation Policy
The Pentagon
Washington, D. C. 20301

State Department
ATTN: Ms. Elizabeth Verville, Deputy Asst. Secretary
2201 C Street NW
Washington, D. C. 20520

✓ Nuclear Regulatory Commission