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April 8, 1981

SECY-81-204A

POLICY ISSUE
(Notation Vote)

For: The Commission

From: William J. Dircks
Executive Director for Operations

Subject: PROPOSED RETRANSFER FOR REPROCESSING FROM SWEDEN TO THE U.K. (SECY-81-204)

Review Date: The NRC consultation period expires April 15.

Purpose: To obtain the Commission's concurrence in the attached letter providing NRC views on the subject proposed retransfer.

Discussion: Pursuant to the interagency procedures, DOE has prepared an analysis of the subject retransfer request in which it indicates its intentions to approve the case (see SECY-81-204).

The staff has reviewed the DOE analysis and finds that with one major exception, the information contained therein is similar to that provided for previous Swedish reprocessing requests. This major exception to previous practices, as noted with respect to the recent Japanese retransfer for reprocessing request (SECY-81-184A), is that DOE has deleted all references to the Executive Branch's policy on retransfers for reprocessing, i.e., physical need or contracts that pre-date April 19, 1977. As reported in SECY-81-184A, when questioned informally on this matter the DOE staff acknowledged that this omission was deliberate so as not to rule out any options as the new Administration develops its reprocessing policy.

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The staff notes again, however, that the contract involved antedates April 19, 1977 and if this request had been analyzed under the reprocessing policy promulgated by the last Administration, DOE could have determined that this request satisfied the requirements of that policy. Hence, potential issues arising from a new reprocessing policy do not arise in connection with the instant case. (The staff is aware, however, that DOE has received two Swiss retransfer requests involving neither physical need nor contracts that pre-date April 1977 which therefore would not meet the previous Administration's approval criteria. As a result, the staff's draft letter to DOE urges that the Executive Branch develop an overall comprehensive reprocessing policy prior to submitting the Swiss requests for interagency review.)

International Safeguards and Foreign Physical Security Review:

The Swedish spent fuel elements at Windscale will be subject to IAEA safeguards in accordance with special arrangements described in the detailed analysis included as Appendix A of SECY-80-180B. Our understanding is that IAEA inspections are being performed regularly in accordance with applicable agreements. The spent fuel will also be subject to EURATOM safeguards.

Staff also understands that the chemical processing of the spent fuel will be subject to IAEA safeguards in the U.K., although this is years away. The details for implementing safeguards during processing operations and subsequent storage are not known. As pointed out in the DOE analyses, U.S. control over subsequent retransfer of the separated plutonium and uranium within the EURATOM community under current agreements will be based only on the contractual commitment made by Sweden.

The staff has reviewed the physical security program in the U.K. and found it adequate for the purposes of this retransfer.

Conclusion: The staff has concluded that the relevant criteria of the NNPA are met in the instant retransfer for reprocessing request and, furthermore, that the request would have satisfied the approval criteria of the previous Administration.

Recommendation: That the Commission approve the dispatch of the attached response to DOE which is similar to those previously provided for such requests, except that the Executive Branch is again encouraged to develop expeditiously a comprehensive reprocessing policy before circulating the aforementioned Swiss cases for inter-agency comments.

William J. Dircks
Executive Director for Operations

Attachment:
Proposed response to DOE

Commissioners' comments should be provided directly to the Office of the Secretary by c.o.b. Wednesday, April 15, 1981.

Commission Staff Office comments, if any, should be submitted to the Commissioners NLT April 13, 1981, with an information copy to the Office of the Secretary. If the paper is of such a nature that it requires additional time for analytical review and comment, the Commissioners and the Secretariat should be apprised of when comments may be expected.

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