MAY 1 7 1982

MEMORANDUM Fit: James V. Zimmerman, Assistant Director

Export/Import and International Safeguards

Office of International Programs

FROM:

Theodore S. Sherr, Chief

Material Transfer SG Licensing Branch

Division of Safeguards, NMSS .

SUBURUI.

SUBSEQUENT ARRANGEMENT FOR REPROCESSING AT CPF IN JAPAN

We have carefully reviewed the DOE analysis of May 6, 1982, covering the proposed subsequent arrangement and other available information on the application or LEA safeguards in Japan.

On the bases that the processing of spent fuel at the Chemical Processing Facility (CPF) and be limited to approximately 600 grams of pluton um per yea, and that IAEA safeguards will be applied as described in the Tokyo Cable 07251, we do not object from the standpoint of safeguards to the proposed subsequent arrangement and the proposed joint determination pertaining to the application of IAEA safeguards. The enclosed technical analysis may be utilized to support this position.

As agreed in the NMSS memorandum of September 24, 1979, this review has been coordinated at the Branch level. Any additional comments which are received as a result of Office coordination will be forwarded to you as quickly as possible.

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. THORAL SECURITY INFORMATION

Theodore S. Sherr, Chief Material Transfer SG Licensing Branch Division of Safeguards, NMSS

Enclosure: Technical Analysis

DISTRIBUTION: SG-119

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## INTERNATIONAL SAFEGUARDS REVIEW COVERING THE JAPANESE CHEMICAL PROCESSING FACILITY (CPF)

- (U) Japan, as a party to the NPT, has had an IAEA NPT safeguards agreement in force since December 2, 1977, which applies to all peaceful nuclear activities in Japan.
- (U) Under the Japan/IAEA NPT Safeguards Agreement, Japan is required to maintain a national system of safeguards, including independent verification of nuclear material, and the IAEA is committed to make full use of this system in carrying out its verification activities. Under this arrangement, routine inspection activities of Japan and the IAEA are coordinated as much as possible to permit simultaneous inspections. Whenever the IAEA can achieve the purposes of its inspection through observation of Japan's inspection activities, it is required to do so. However, IAEA inspectors may carry out inspection activities other than through observation where this is essential. The Government of Japan is required to transmit to the IAEA its working papers for those inspections at which IAEA inspectors were present and inspection reports for all Japan's other inspection activities performed under the Agreement. The available information indicates that both Japan and the IAEA regularly conduct safeguards inspections at nuclear facilities in Japan.

(c)

(U) Although insufficient information is available to completely assess the effectiveness of safeguards that will be applied at the CPF, staff believes that the IAEA has the capability to effectively apply safeguards to the CPF as long as its annual throughput is limited to approximately 7.2 kg of fuel (0.6 kg of plutonium). At this design capacity, the IAEA should be able to provide timely warning of diversion at the CPF well in advance of the time at which Japan could transform the diverted material into a nuclear explosive device.

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