

SUBJECT: XSNM-3123, EXPORT OF LOW-ENRICHED URANIUM FOR USE AS
POWER REACTOR FUEL IN JAPAN

We have reviewed the subject export application and provide the following international safeguards and foreign physical protection information for your consideration. This case involves the export of low-enriched uranium to Japan for conversion/fabrication at JNF and ultimate use as initial core load fuel in the Onagawa-3 power reactor.

Safeguards Implementation

Japan is a party to the Non-Proliferation Treaty and, as such, accepts IAEA safeguards on all source and special nuclear material in its nuclear activities. An IAEA Facility Attachment (FA) has been negotiated and is in force for the JNF fuel fabrication facility. The IAEA Annual Report does not list the Onagawa-3 power reactor as having an FA under negotiation or in force. This is not unusual since, as of March 1999, this reactor was only 48% constructed, with an expected commercial start date of January 2002.

We note that the IAEA Safeguards Implementation Report for 1998 states that, with the exception of the DPRK situation, "...the Secretariat did not find any indication that nuclear material which had been declared and placed under safeguards had been diverted for any military purpose or for purposes unknown, or that facilities, equipment or non-nuclear material placed under safeguards were being misused. All the information available to the Agency supports the conclusion that the nuclear material and other items placed under safeguards remained in peaceful nuclear activities or were otherwise adequately accounted for."

Physical Protection

An evaluation was performed during a visit to Japan in May 1997. The conclusion of this review was that Japan's physical protection program was consistent with the then-current version of INFCIRC/225 (i.e., Rev. 3). Staff has reviewed subsequent information received to date, and has determined that there is no indication that the physical protection program has degraded in this country. In addition, staff has determined, on the basis of currently available information, that physical protection measures to protect against proliferation of nuclear weapons are in conformance with the current version of INFCIRC/225 (i.e., Rev.4).