

LEE H. HAMILTON, IND.
CUSTY TATRON, PA.
STEPHEN J. SOLARZ, N.Y.
DON BOWSER, WASH.
GERRY E. STUDOS, MASS.
ANDY HELLAND, FLA.
DAK M. CA, FLA.
MICHAEL C. BARNES, MD.
HOWARD WOLPE, MICH.
GEO. W. CHICKETT, JR., MICH.
SAM GLADENSON, CONN.
MERVYN M. O'MALLY, CALIF.
TOM LANTOS, CALIF.
PETER K. KOSTMAYER, PA.
ROBERT G. TORRICELLI, N.J.
LAWRENCE J. SMITH, FLA.
HOWARD L. BERMAN, CALIF.
HARRY M. REID, NEV.
MEL LEVINE, CALIF.
EDWARD F. FEIGHAN, OHIO
TED WEISS, N.Y.
GARY L. ACKERMAN, N.Y.
ROBERT GARCIA, N.Y.

WILLIAM S. BROOMFIELD, MINN.
LARRY WYNN, JR., KANS.
BENJAMIN A. GALMAN, N.Y.
ROBERT J. LAGOMARSHO, CALIF.
JOEL PRITCHARD, WASH.
JIM LEACH, IOWA
TORY ROTH, WIS.
OLYMPIA J. SNOWE, MAINE
HENRY J. HYDE, ILL.
GERALD B. K. SOLOMON, N.Y.
DOUGLAS K. BEREUTER, NEBR.
MARK D. SILJANDER, MICH.
ED ZSCHAU, CALIF.

JOHN J. BRADY, JR.
CHIEF OF STAFF

Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, D.C. 20515
August 22, 1984

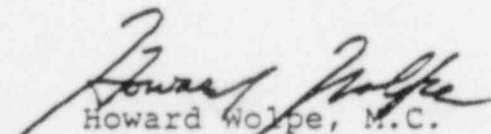
Honorable Nunzio J. Palladino
Chairman
Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D.C. 20555

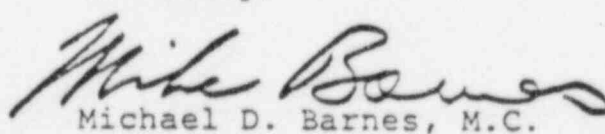
Dear Chairman Palladino:

As you may know, the House Foreign Affairs Committee will be holding two hearings in September on plutonium transfers. As Members of the Committee who have a special interest in nuclear non-proliferation issues, we have requested some background information for the hearing from the Secretary of State. We are enclosing a copy of our letter to him, and a list of questions relating to the recent Department of Energy approval of the France to Japan plutonium shipment. We hope that you will have some direct input into the Secretary of State's response, which we have requested be delivered to us no later than Wednesday, September 5, 1984.

Thank you very much for your attention to this matter.

Sincerely,


Howard Wolpe, M.C.


Michael D. Barnes, M.C.

Enclosure
MDB/lo

8/23 ...To EDO for Appropriate Action...Chm, Cmrs, RF...OCA
to Acknowledge...84-0853.

LEE H. HAMILTON, IND.
GUS YATICH, PA.
STEPHEN J. SOLARZ, NY
DON BOWKER, WASH.
GERRY A. STUDDS, MASS.
ANDY IRELAND, FLA.
JAN MIGA, FLA.
MICHAEL D. BARNES, MD.
HOWARD WOLPE, MICH.
GEO. W. CHOCSETT, JR., MICH.
SAM GLEDENSON, CONN.
WEPVYN M. DYMAALLY, CALIF.
TOM LANTOS, CALIF.
PETER H. KOSTMAYER, PA.
ROBERT C. TONACELLI, NJ.
LAWRENCE J. SMITH, FLA.
HOWARD L. BERMAN, CALIF.
HARRY W. REID, NEV.
MEL LEVINE, CALIF.
EDWARD F. FEIGHAN, OHIO
TED WEISS, N.Y.
GARY L. ACKERMAN, N.Y.
ROBERT GARCIA, N.Y.

WILLIAM S. BROOMFIELD, MICH.
LARRY WYNN, JR., KANS.
BENJAMIN A. GILMAN, N.Y.
ROBERT J. LAGOMARINO, N.Y.
JOEL PATTONARD, WASH.
JIM LEACH, IOWA
TERRY ROTH, WIS.
OLYMPIA J. SNOWE, MAINE
HENRY J. HYDE, ILL.
GERALD B. N. SOLOMON, N.Y.
DOUGLAS R. BRULETER, NEBR.
MARK D. SILVERMAN, MICH.
ED ZSCHAU, CALIF.

Congress of the United States

Committee on Foreign Affairs

House of Representatives
Washington, D.C. 20515

August 22, 1984

JOHN J. BRADY, JR.
CHIEF OF STAFF

Honorable George P. Shultz
Secretary
Department of State
2201 C Street, N.W.
Washington, D.C. 20520

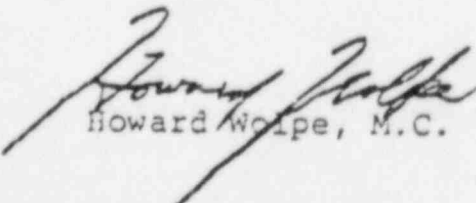
Dear Secretary Shultz:

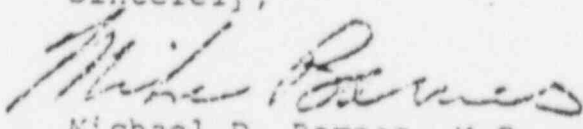
As you may know, the House Foreign Affairs Committee will be holding two hearings in September on plutonium transfers. As Members of the Committee who have a special interest in nuclear non-proliferation issues, we have enclosed a list of questions relating to the recent Department of Energy approval of the France to Japan plutonium shipment. We are discussing these questions with the full Committee, but since the hearings will be occurring soon, and in light of our interest in having complete background information prior to the hearing, we decided to send these questions directly to you. We have also sent carbon copies to the Secretary of Energy, the Secretary of Defense, the Chairman of the Nuclear Regulatory Commission, and the Director of the Arms Control and Disarmament Agency, as well as to your Special Advisor on these matters, Ambassador Richard T. Kennedy.

We hope that you will coordinate with these other agencies, and we request that you provide us with unclassified, written responses for all of the attached questions no later than Wednesday, September 5, 1984. (If classified information is enclosed, please include it in a separate, classified index.) Please deliver your responses to Rep. Michael D. Barnes, 401 Cannon HOB, Washington, D.C. 20515, and to Rep. Howard Wolpe, 1527 Longworth HOB, Washington, D.C. 20515.

Thank you very much for your attention to this matter. We look forward to hearing from you soon.

Sincerely,


Howard Wolpe, M.C.


Michael D. Barnes, M.C.

Enclosure
MDB/lo

ADVANCE QUESTIONS FOR THE ADMINISTRATION

1. Japan's energy situation

- a. What is Japan's present energy balance? What is its future projection?
- b. How much oil does Japan import each year? From what sources?
- c. How is this oil consumed, i.e., what is its end use by sector?
- d. Describe electricity generation in Japan. How much oil is used and what percent of electricity generation in Japan is by oil, by coal, by nuclear, other? How much additional oil might nuclear replace in the future?
- e. What are Japan's future nuclear demand projections?

2. The Japanese nuclear program

- a. What is Japan's attitude toward commercial use of plutonium, and what is it doing about this?
- b. Does Japan anticipate its use in commercial thermal recycle? If so, when?
- c. What attitude does the Reagan Administration have toward the use of separated plutonium in commercial thermal recycle? Will approval of plutonium use requests be given for this purpose?
- d. What are the Japanese requirements for plutonium? What is the projected demand, by year, through 1995?
- e. What sources of plutonium are available to Japan? In what amounts?
- f. How much Japanese spent fuel subject to U.S. prior approval has been reprocessed or approved for reprocessing up to the present? Where will reprocessing take place? When?
- g. How many additional reprocessing requests from Japan does the United States expect by 1995?
- h. What is the total amount of plutonium already separated and expected to be separated over this period?
- i. What options or alternatives to minimize the prospective excess accumulation of separated plutonium has the Administration considered? Please explain.

- j. Does the Administration expect requests to transfer all of this Japanese-owned, U.S.-controlled plutonium back to Japan? When? If not, why not?
- k. What is the estimated storage charge by COGEMA for this plutonium while in France? How does this compare with the value of the plutonium?
- l. What uses might the Japanese have for this plutonium except for R&D purposes?
- m. Please provide a full account of the disposition of all separated plutonium in Japan, including plutonium not subject to U.S. controls.
- n. How much is already fabricated for future requirements for Joyo and Fugen?
- o. How would recycle of plutonium in Japan's conventional power plants affect or influence the use of plutonium in other nations, especially, South Korea, Taiwan, West Germany, France, and India?
- p. Is the Administration prepared to give its approval for use of U.S.-controlled plutonium for recycle in other countries?
- q. What are Japan's annual requirements for enriched uranium? How are these requirements met? What portion will U.S. enrichment service provide? How can this proportion be increased?
- r. Please summarize the range of current thinking on the economics of plutonium use as a commercial nuclear fuel in Japan, in Europe, in the United States, in the Soviet Union, and India?
- s. What is the role of plutonium in Japan's plans for energy security? Please discuss in quantitative terms how thermal recycle and demonstration of breeder reactor technology could contribute to Japan's energy security, and when this could be expected.
- t. What information does the United States have about the plutonium inventory in Japan? What uncertainties exist? Why?
- u. How much plutonium under U.S. control is there in Japan?
- v. What means does the U.S. have to keep track of U.S.-controlled plutonium? What are the deficiencies?
- w. Does the U.S. see IAEA inspection reports on Japanese plutonium? Does the U.S. have a right in our agreement for cooperation to such access?

- x. Will additional plutonium produced through the use of plutonium already subject to U.S. control be subject to U.S. prior approval in the future? How will U.S. prior consent rights be obtained?

3. Agreement for Cooperation

- a. Please describe efforts to renegotiate the U.S.-Japanese agreement for cooperation as mandated by the NNPA. What progress has been made? What are the difficulties?
- b. What is Japan's attitude toward requiring comprehensive safeguards of its potential customers?
- c. Is the U.S. trying to get Japan to accept the principle of minimizing inventories of separated plutonium?

4. Physical Security and Transportation

- a. How much Japanese magnox reactor fuel has been reprocessed in the U.K.? How much plutonium has been returned? How is it transported? How does the United States regard past physical security arrangements for this form of transportation?
- b. Describe how the U.S. Armed Services became involved in providing physical security for the shipment approved by DOE.
- c. Will the U.S. approve transportation by surface ship in the future? If not, why not?
- d. Will the U.S. seek broad international agreement to end future sea shipment of any plutonium, whether or not subject to our control? If not, why not? Aren't the risks posed to U.S. security the same?
- e. Please estimate the costs to the Japanese of transporting this plutonium from France to Japan and provide a breakdown of these costs.
- f. What is the status of Japanese approval for shipping containers for the transportation of plutonium by air? By sea?
- g. What arrangements have been made or are being made by Japan and the U.S. to develop an air shipping container for plutonium? Where will it be developed? Tested? By when? At what cost? Who pays?
- h. Does the Administration prefer shipment of plutonium by air? If so, why?

- i. Discuss the relative physical security requirements of air and sea transportation of special nuclear material.

5. Timely Warning

The Atomic Energy Act of 1954 as amended further requires the Secretaries of Energy and State to give "foremost consideration" to whether or not the retransfer will take place under conditions that will ensure timely warning to the United States of "any diversion well in advance of the time at which the non-nuclear-weapon state could transform the diverted material into a nuclear explosive device;" (Sec. 131 b(2))

- a. What is the Administration's interpretation of the timely warning factor?
- b. What is the difference, if any, between the meaning of "timely warning" in IAEA safeguards systems and as defined in the Atomic Energy Act?
- c. To what extent does the Administration consider time to develop and design a nuclear explosive in judging timely warning? Does it assume that the device has been designed, fabricated, and needs only insertion of plutonium to be completed?
- d. What quantity of plutonium does the Administration consider critical enough to trigger the timely warning requirement? How does this compare with IAEA figures for critical quantities?
- e. What criteria or standards for time to transform diverted materials into weapons were used in this case? Who formulated these criteria? Are they in general use or special to this case? Where are they published?
- f. Does U.S. consideration of timely warning rest solely upon IAEA inspection? To what extent is U.S. intelligence considered as a source of timely warning?

6. IAEA Safeguards

- a. What is the status of Japan's safeguards agreement with the IAEA and its related documents? In particular, is a facility attachment completed for the Japan plutonium fuel fabrication plant?
- b. Describe the implementation of IAEA safeguards inspections of nuclear facilities in Japan. To what extent does the U.S. have access to the IAEA's safeguards inspection reports that cover U.S.-controlled plutonium in Japan? What access does the U.S. have to any audits by Japan's own internal safeguards system?

7. The finding of no significant increase in risk

The NNPA requires with respect to retransfer of more than 500 grams of plutonium recovered from transferred spent fuel that the Secretary of Energy and the Secretary of State each find that such retransfer will not result in "a significant increase of the risk of proliferation beyond that which exists at the time that approval is requested." (AEA sec. 131 b(2)).

- a. What standards or criteria did the two departments use in arriving at their finding of no significant increase of risk?
- b. Are these standards used for all such decisions, or were they special for this case?
- c. Where are these standards or criteria published?
- d. What input did ACDA have in these dual findings?

8. Agency Involvement

- a. To what extent was the Arms Control and Disarmament Agency (ACDA) involved in the review process for this subsequent arrangement? To what extent was ACDA expertise drawn upon in the decision-making process?
- b. What is DOD's view of the threat to U.S. national security, if any, in sea transport of plutonium in quantities such as the retransfer from France to Japan? What is the nature of these threats and how severe are they? What future transportation alternatives is DOD evaluating that might be less risky or problematic?
- c. What, precisely, were the concerns raised by the NRC? How, specifically, were the NRC concerns addressed by DOE? What was the NRC's role in determining and evaluating physical security in Japan?