

Release



CHAIRMAN

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

May 7, 1996

The Honorable Lynn E. Davis
Under Secretary for Arms Control
and International Security Affairs
U.S. Department of State
Washington, D.C. 20520

Dear Ms. Davis:

The Commission recently completed its review of two Department of Energy technology transfer cases to authorize U.S. industry participation in the Korea Peninsula Energy Development Organization's (KEDO) reactor project in North Korea. Our response to the Department's Office of Arms Control and Nonproliferation, dated March 29, 1996, posed no NRC objection to the authorizations, given the President's approval of the underlying Agreed Framework between the United States and the Democratic Peoples' Republic of Korea (DPRK). Nevertheless, our review drew our attention to certain points which we believe require timely consideration by the United States in its support of the KEDO reactor project.

We recommend early and continuing actions by the United States and other KEDO participants to foster a sound safety culture for the project. This view was confirmed in recent meetings I held with senior Korean officials where they emphasized the need to consider the safety aspects of the proposed project. The Koreans also expressed a desire for a larger and more acknowledged role in the KEDO project.

Both safety and nonproliferation are key national security goals, but are not within the purview of any single U.S. Government organization. Nevertheless, nuclear safety and nuclear nonproliferation policies that are mutually reinforcing can and should be developed. In this connection, the Commission believes there should be no trade off between nuclear safety and nonproliferation aspects of the KEDO project. With respect to the project's nonproliferation objective, the Commission understands the fundamental importance of establishing the initial inventory of nuclear material in North Korea and facilitating early full-scope safeguards inspections by the International Atomic Energy Agency (IAEA). We trust that all U.S. agencies share this view.

One other point needs to be mentioned. Based on a provision in the KEDO-DPRK Supply Agreement, it appears KEDO may need to arrange exports of reactor fuel and major reactor components from the United States to North Korea, directly or through South Korea, in the next few years. As you know, such exports would require NRC export licenses which could not be issued in the absence of an Agreement for Cooperation between the U.S. and the DPRK (possibly also involving the IAEA). Although the Supply Agreement provision acknowledges the need for such an agreement, there is no suggestion of how difficult and time consuming it would be to negotiate and conclude this instrument.

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I hope these points will be carefully considered. I am sending similar letters to the Department of Energy and the Arms Control and Disarmament Agency.

Sincerely,

A handwritten signature in cursive script, reading "Shirley Ann Jackson".

Shirley Ann Jackson