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ALSO FOR USEEC
E.O. 12065: ROS-3 6/9/92 (DIVINE, JAMES B.) OES/N
TAGS: TMUC, MNUC, ENRG, PARM, EEC, JA
SUBJECT: NEW U.S. APPROACH TO THE REPROCESSING OF US-
ORIGIN NUCLEAR MATERIAL AND THE USE OF PLUTONIUM

REF: A) TOKYO 9350

1. ENTIRE TEXT --~~SECRET~~.

2. THE PRESIDENT HAS RECENTLY APPROVED A NEW U.S. APPROACH TO THE FOREIGN REPROCESSING OF NUCLEAR MATERIAL SUBJECT TO U.S. CONSENT RIGHTS AND THE USE OF PLUTONIUM PRODUCED FROM SUCH MATERIAL FOR NEGOTIATIONS WITH THE EC AND JAPAN. THE INTENT OF THIS POLICY IS TO PUT OUR NUCLEAR RELATIONSHIP WITH OUR ALLIES ON A MORE ORDERLY AND PREDICTABLE BASIS TO ELIMINATE THE FRICTIONS THAT MARRED THIS RELATIONS DURING THE PAST ADMINISTRATION. IN ADDITION, IT IS PREMISED ON THE EXPECTATION OF IMPROVED NON-PROLIFERATION COOPERATION FROM OUR COOPERATING PARTNERS, PARTICULARLY ON PRESSING PROLIFERATION PROBLEMS IN SENSITIVE REGIONS OF THE WORLD AND OF THEIR IMPLEMENTING MORE EFFECTIVE CONTROLS ON CIVIL PLUTONIUM.

3. POSTS ARE REQUESTED TO PASS THE FOLLOWING NON-PAPER (PARAS 5 THRU 14 AND 16 THRU 21) TO TOKYO AND (PARAS 5 THRU 10 AND 15 THRU 21) TO EC COMMISSION AND EC CAPITALS AND TO INDICATE OUR READINESS TO ANSWER ANY QUESTIONS THEY MIGHT HAVE ON ITS CONTENTS. FOR TOKYO, PLEASE INFORM GOJ (PER REFTEL) THAT WE ARE PREPARED TO ENTER INTO GENERAL DISCUSSIONS DURING THE VISIT OF STATE
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MINISTER HAKAGAWA, JUNE 21-23 ON OUR PLUTONIUM USE POLICY AND HOW IT RELATES TO THE SO-CALLED PERMANENT SOLUTION FOR TOKAI AND RELATED ISSUES. (DETAILED USG POSITION ON NEGOTIATIONS IS STILL BEING DEVELOPED.) FOR JSEEC AND POSTS IN EC CAPITALS, WE WILL BE PREPARED TO DISCUSS NONPAPER WITH EURATOM AND HOST GOVERNMENT OFFICIALS IN THE COMING MONTHS AND HOPE THAT THIS COULD LEAD TO EARLY ROUND OF NEGOTIATIONS ON A NEW OR AMENDED AGREEMENT WITH EURATOM.

4. BEGIN TEXT

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U.S. NON PAPER ON THE REPROCESSING OF U.S. ORIGIN MATERIAL AND THE USE OF PLUTONIUM

5. PREVENTING THE SPREAD OF NUCLEAR EXPLOSIVES TO ADDITIONAL COUNTRIES IS A FUNDAMENTAL NATIONAL SECURITY AND FOREIGN POLICY OBJECTIVE OF THE UNITED STATES. THIS ADMINISTRATION RECOGNIZES THAT AN ESSENTIAL ELEMENT IN PROMOTING THIS OBJECTIVE IS THE STRENGTHENING OF THE POSITION OF THE U.S. AS A RELIABLE AND PREDICTABLE TRADE PARTNER IN THE NUCLEAR FIELD UNDER EFFECTIVE SAFEGUARDS.

6. PRESIDENT REAGAN'S MESSAGE OF JULY 16, 1981, ON NUCLEAR COOPERATION AND NON-PROLIFERATION UNDERLINED THESE TWO BASIC THEMES OF U.S. POLICY. IN THAT STATEMENT, PRESIDENT REAGAN STATED INTER ALIA:

- THE U.S. WILL CONTINUE TO INHIBIT THE TRANSFER OF SENSITIVE NUCLEAR MATERIAL, EQUIPMENT, AND TECHNOLOGY, PARTICULARLY WHERE THE DANGER OF PROLIFERATION DEMANDS; AND

- THE U.S. WILL NOT INHIBIT OR SET BACK CIVIL REPROCESSING AND BREEDER REACTOR DEVELOPMENT ABROAD IN NATIONS WITH ADVANCED NUCLEAR POWER

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PROGRAMS WHERE IT DOES NOT CONSTITUTE A PROLIFERATION RISK.

7. THE PRESIDENT ALSO INSTRUCTED THE SECRETARY OF STATE, WORKING WITH OTHER RESPONSIBLE AGENCIES, TO GIVE PRIORITY ATTENTION TO EFFORTS TO REDUCE PROLIFERATION RISKS, TO ENHANCE THE INTERNATIONAL NON-PROLIFERATION REGIME AND CONSISTENT WITH U.S. SECURITY INTERESTS, TO REESTABLISH A LEADERSHIP ROLE FOR THE U.S. IN INTERNATIONAL NUCLEAR AFFAIRS.

8. UNDER THAT MANDATE A NUMBER OF REVIEWS WERE CONDUCTED INCLUDING ONE CONCERNING APPROACHES TO DEVELOP MORE PREDICTABLE POLICY FOR EXERCISING U.S. RIGHTS TO APPROVE REPROCESSING AND PLUTONIUM USE.

9. THIS REVIEW HAS NOW BEEN COMPLETED. THE PRESIDENT

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HAS DECIDED TO OFFER JAPAN AND EURATOM COUNTRIES A MORE REALISTIC, PREDICTABLE AND SECURE BASIS UPON WHICH TO PLAN THOSE ASPECTS OF THEIR NUCLEAR POWER PROGRAMS WHICH INVOLVE THE REPROCESSING OF U.S.-SUPPLIED MATERIAL AND THE SUBSEQUENT USE OF THE PLUTONIUM PRODUCED FROM SUCH MATERIAL. IT RECOGNIZES THAT PLUTONIUM IS NECESSARY FOR BREEDER DEVELOPMENT AND MAY BECOME A VALUABLE ENERGY SOURCE IN SOME COUNTRIES. IT ALSO RECOGNIZES THAT SOME OF OUR ALLIES BELIEVE DEPLOYMENT OF BREEDER REACTORS AND POSSIBLE RECYCLE OF PLUTONIUM IN THERMAL REACTORS IS IMPORTANT TO THEIR ENERGY SECURITY AND MAY BE ECONOMICALLY VIABLE AT AN EARLIER DATE THAN IN THE U.S. AND THAT JUDGMENTS AS TO NUCLEAR POWER PROGRAM CONTENT IN THEIR COUNTRIES ARE MATTERS FOR THEIR OWN GOVERNMENTS.

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10. THE NEW APPROACH ALSO RECOGNIZES THAT OUR ALLIES REQUIRE GREATER PREDICTABILITY FROM US IN HOW WE INTEND TO EXERCISE OUR CONSENT RIGHTS WITH REGARD TO THEIR REPROCESSING AND PLUTONIUM USE PROGRAMS.

11. (NOTE PARAS 11 THRU 14 ARE FOR TOKYO ONLY.)

ACCORDINGLY, THE U.S. IS PREPARED TO OFFER:
(A) AN ADVANCE CONSENT ARRANGEMENT FOR CERTAIN REPROCESSING, RETRANSFERS FOR REPROCESSING AND USE OF U.S.-CONTROLLED MATERIAL IN PROGRAMS FOR WHICH INFORMATION WILL ALLOW THE UNITED STATES TO MAKE THE NECESSARY STATUTORY DETERMINATIONS, AND

(B) A STATEMENT OF INTENTION TO APPROVE USE OF SUCH MATERIAL IN FUTURE PROGRAMS IN JAPAN AND RETRANSFERS FOR REPROCESSING TO EURATOM OR OTHER MUTUALLY AGREED COUNTRIES IN FUTURE FACILITIES WHEN SUFFICIENT INFORMATION IS AVAILABLE TO ALLOW THE UNITED STATES TO MAKE THE NECESSARY STATUTORY DETERMINATIONS.

12. (FOR TOKYO ONLY.) IT IS UNDERSTOOD THAT AN ADVANCE CONSENT ARRANGEMENT COULD INCLUDE RETRANSFER OF SPENT FUEL FROM JAPAN TO FACILITIES IN FRANCE AND THE UNITED KINGDOM FOR REPROCESSING. REPROCESSING AT THE TOKAI-MURA PLANT FOR ITS OPERATIVE LIFE; USE OF PLUTONIUM IN

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JAPAN'S BREEDER, ADVANCE REACTOR AND THERMAL RECYCLE PROGRAMS AND RETURN OF SEPARATED PLUTONIUM FROM FRANCE AND THE UNITED KINGDOM FOR THESE PROGRAMS.

13. (FOR TOKYO ONLY) FOR FUTURE PROGRAMS FOR WHICH SUFFICIENT INFORMATION IS NOT NOW AVAILABLE TO MAKE SUCH DETERMINATIONS, WE INTEND TO APPROVE THESE PROGRAMS WHEN THE INFORMATION IS AVAILABLE TO ALLOW US TO MAKE THE NECESSARY DETERMINATIONS. THIS COULD INCLUDE THE SECOND REPROCESSING PLANT, AND USE OF PLUTONIUM IN

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FUTURE BREEDER REACTORS ADVANCED REACTOR AND THERMAL RECYCLE PROGRAMS.

14. (FOR TOKYO ONLY) THE UNITED STATES PROPOSES TO INCORPORATE THIS LONG TERM SETTLEMENT IN A NEW OR AMENDED AGREEMENT FOR PEACEFUL NUCLEAR COOPERATION WITH A LIFETIME OF UP TO 30 YEARS. FOR APPROVALS UNDER THE ADVANCE CONSENT ARRANGEMENT (PARA 11 (A) ABOVE) THERE WOULD BE NO REQUIREMENTS FOR FURTHER JAPANESE REQUESTS FOR U.S. APPROVAL FOR SUCH ACTIVITIES DURING THE LIFE OF THE AGREEMENT. THESE APPROVALS WILL BE SUBJECT TO THE CONDITIONS IN THE AGREEMENT CONTINUING TO BE MET, INCLUDING NECESSARY NON-PROLIFERATION AND STATUTORY CONDITIONS SUCH AS THOSE ON SAFEGUARDS AND PHYSICAL SECURITY, AND TO A CONTINUED STRONG COMMITMENT BY JAPAN TO NON-PROLIFERATION EFFORTS.

15. (NOTE PARAS 15 THRU 16 ARE FOR EURATOM AND EC CAPITALS ONLY.) THE U.S. DESIRES TO PUT ITS NUCLEAR RELATIONSHIP WITH EURATOM ON A MORE ORDERLY AND PREDICTABLE BASIS. ACCORDINGLY, AS PART OF A NEW OR AMENDED AGREEMENT FOR COOPERATION, THE U.S. IS PREPARED TO PROVIDE

A) AN ADVANCE CONSENT ARRANGEMENT FOR REPROCESSING AND FOR THE USE OF PLUTONIUM IN PROGRAMS FOR WHICH INFORMATION WILL ALLOW THE U.S. TO MAKE THE NECESSARY STATUTORY DETERMINATIONS. UNDER THIS ARRANGEMENT, THERE WOULD BE NO REQUIREMENTS FOR FURTHER REQUESTS FOR U.S. APPROVAL FOR SUCH ACTIVITIES DURING THE LIFE OF THE AGREEMENT.

B) A STATEMENT OF INTENTION TO APPROVE THE REPROCESSING OF U.S.-ORIGIN MATERIAL AND THE USE OF PLUTONIUM PRODUCED FROM SUCH MATERIAL IN FUTURE PROGRAMS AND FACILITIES WHEN

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SUFFICIENT INFORMATION IS AVAILABLE TO ALLOW THE UNITED

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STATES TO MAKE THE NECESSARY STATUTORY DETERMINATIONS.
16. (FOR EURATOM AND EC CAPITALS ONLY) THESE APPROVALS
WILL BE SUBJECT TO THE CONDITIONS IN THE AGREEMENT
CONTINUING TO BE MET, INCLUDING NECESSARY NON-
PROLIFERATION AND STATUTORY CONDITIONS SUCH AS THOSE ON
SAFEGUARDS AND PHYSICAL SECURITY, AND TO A CONTINUED
STRONG COMMITMENT BY EURATOM COUNTRIES TO NON-
PROLIFERATION EFFORTS.

17. THIS APPROACH—ON REPROCESSING AND PLUTONIUM USE
WILL BE LIMITED TO THOSE COOPERATING PARTNERS WHICH
HAVE ADVANCED NUCLEAR PROGRAMS AND WHICH POSSESS OUTSTAND-
ING NON-PROLIFERATION CREDENTIALS AND WHERE SUCH
ACTIVITIES DO NOT CONSTITUTE A PROLIFERATION RISK,
I.E. EURATOM AND JAPAN. THESE COUNTRIES WILL BE
REQUESTED TO PROVIDE THE U.S. WITH DETAILED INFORMATION
ON THEIR NUCLEAR PROGRAMS AND POLICIES, INCLUDING IN
PARTICULAR THOSE INVOLVING REPROCESSING AND THE USE OF
PLUTONIUM. WE WILL ALSO WISH TO HAVE INFORMATION ON
THE SAFEGUARDS AND PHYSICAL SECURITY SYSTEMS IN EFFECT.
BASED ON THIS INFORMATION AND CONSISTENT WITH OUR
STATUTORY REQUIREMENTS, WE WILL BE PREPARED TO PROVIDE
APPROVALS AS DESCRIBED ABOVE

18. THE PROPOSALS SET FORTH HERE ARE DESIGNED TO PROVIDE
OUR ALLIES WITH A MORE PREDICTABLE AND RELIABLE BASIS
ON WHICH TO PLAN THEIR NUCLEAR PROGRAMS. THEY ARE ALSO
DESIGNED TO ELIMINATE THE DISPUTES THAT HAVE AT TIMES
DISTRACTED US FROM MORE PRESSING PROLIFERATION PROBLEMS.

19. CONGRESSIONAL AND PUBLIC CONCERN OVER THE SPREAD OF
SENSITIVE MATERIALS AND TECHNOLOGY REMAINS STRONG. NEW
OR AMENDED AGREEMENTS OR U.S. APPROVALS FOR REPROCESSING
MUST BE PUT BEFORE CONGRESS FOR REVIEW. WE CAN EXPECT
CRITICISM TO THE EXTENT OUR POSITION IS PERCEIVED AS
SOFTENING OF NON-PROLIFERATION CONDITIONS OR AS ESTAB-
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LISTING AN UNDESIRABLE PRECEDENT FOR OTHER CASES.

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20. AS PART OF ANY ARRANGEMENT FOR ADVANCE CONSENT FOR REPROCESSING AND PLUTONIUM USE, WE WILL WANT TO BE ASSURED THAT OUR COOPERATING PARTNERS WILL CONTINUE TO WORK WITH US TO IMPROVE THE NON-PROLIFERATION REGIME. THE PROPOSALS CONTAINED IN OUR APPROACH ARE PREMISED ON THE EXPECTATION THAT THEY WILL CONTINUE TO COOPERATE IN DEALING WITH PROLIFERATION PROBLEMS IN SENSITIVE REGIONS OF THE WORLD, AND WILL IMPLEMENT MORE EFFECTIVE CONTROLS ON CIVIL PLUTONIUM, INCLUDING TAKING THOSE STEPS NECESSARY TO IMPROVE THE APPLICATION OF IAEA SAFEGUARDS AT REPROCESSING AND OTHER BULK HANDLING FACILITIES AS WELL AS FACILITIES UTILIZING REPROCESSED PLUTONIUM:

21. WE ARE CONFIDENT THAT THIS NEW APPROACH CAN SIGNIFICANTLY REDUCE OR ELIMINATE UNCERTAINTIES FACING OUR ALLIES, WILL CONTRIBUTE IN A CONCRETE WAY TO MEETING THEIR ENERGY NEEDS AND WILL STRENGTHEN INTERNATIONAL EFFORTS TO PREVENT THE SPREAD OF NUCLEAR WEAPONS.

END TEXT.

22. POSTS ARE REQUESTED TO REPORT ON ANY INITIAL REACTIONS RECEIVED FROM HOST GOVERNMENTS ON NEW U.S. PLUTONIUM USE POLICY. STOESEL UNQUOTE HAIG UNQUOTE HAIG

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