

**THE DIRECTOR OF
CENTRAL INTELLIGENCE**

Deputy Director for National Foreign Assessment

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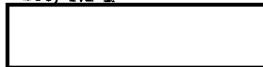
NOTE FOR:



Herewith, FYI, a copy of the NP policy STAT
check list for the 97th Congress handed to
me by W. Donnelly at Wednesday's briefing.



cc: SA/NPI



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CHECK LIST FOR THINKING ABOUT U.S. NON-PROLIFERATION POLICY
IN THE 97TH CONGRESS

It seems likely that the policy of the incoming Reagan administration will differ somewhat from that of the Carter administration concerning the relation between nuclear power and the spread, or proliferation, of nuclear weapons to countries

25X1

The following check list is intended to indicate those matters which probably will require attention in forming the Reagan nonproliferation policy and its interaction with the Congressional policy laid down in the Nuclear Non-Proliferation Act of 1978. The list is in three parts. Part I lists several overall questions to be considered. Part II is a detailed list which also includes a column in which the reader can rate the comparative importance of the items. Part III is a list of known matters that will require some attention from the Reagan administration and probably from Congress.

Congress
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PART I

PRINCIPAL OVERALL QUESTIONS

1. Linkage.

What linkage is seen between nuclear power and the spread of nuclear weapons and the ability to make them?

2. The importance of nonproliferation.

How important is it to the U.S. that:
No more nations get nuclear weapons?
Only a few more nations get nuclear weapons?

What price is the U.S. willing to pay to get its nonproliferation ideas accepted?

3. Purpose of nonproliferation policy.

What does the U.S. want to accomplish?
How does this compare with the present combination of President Carter's policy and that of the Nuclear NonProliferation Act?
The Carter Administration emphasized constraints on technology and special nuclear materials transfers to delay the capacity of other countries to develop weapons capabilities. The resulting cost has been increased strains in U.S. relations with a number of countries. Are policies designed to reassure countries facing security threats likely to deter them from nuclear weapons programs? At what costs to the U.S.? Should policy be directed at preventing specific countries, such as Iraq and Libya, from developing weapons programs while establishing sufficiently strong and supportive relations with others (perhaps Korea and/or Pakistan) that we would be able to induce them to manage their capability with moderation and judgment?

4. Ways and means.

What are the principal means available to the U.S. to carry out its policy? What changes are happening and likely to happen to U.S. sources of influence and "leverage" to get other nations to accept our nonproliferation policies and ideas?

5. Relation to foreign and defense policy..

Is nonproliferation policy to be treated in vacuum?
To what extent should it interact with and relate to foreign and defense policy?

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PART II

DETAILED CHECK LIST AND RATING SCHEME

ITEM	RATING */
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MATTERS FOR PROMPT ATTENTION

1. Appointments of the political level officials concerned with proliferation in the Departments of Energy, State, and Commerce; in ACDA; and the chairman of the NRC. Also appointments to the NSC.

2. An early Presidential statement on initial thinking of the administration to reassure other nations against precipitous U.S. policy changes, possibly a reaffirmation of reliability of supply and an indication of the scope and timing of the new administration's review of nonproliferation policy.

3. A decision on extension of nuclear cooperation with Euratom during current renegotiation of the existing agreement for cooperation. [Needed in March, 1981].

4. A decision by the Department of Energy whether to extend permission to Japan to reprocess spent nuclear fuels under U.S. controls at the Tokai Mura experimental reprocessing plant there. [Needed in March, 1981].

Suggested rating scheme: 0 = unimportant, no action required; 5 = minor importance, action indefinitely deferrable; 10 = some importance, action deferrable for a while; 15 = substantial importance, early action needed; 20 = utmost importance, immediate action needed.

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MATTERS FOR LONGER TERM ATTENTION

ITEM	RATING */
1. Proliferation risks. Review of the Carter policy of "no-plutonium-now" with attention to:	
-Proliferation risks seen in civil production and use of plutonium and highly enriched uranium.	
-Risks of new reprocessing, plutonium fuel fabrication, and enrichment plants in non-nuclear weapons states.	
-Assessment of proliferation risks as seen by the U.S. and as indicated in the International Nuclear Fuel Cycle Evaluation of the Carter administration.	
IIM ✓ -Foreign perception of U.S. nonproliferation policy and its goals.	
2. Initial statement of the new administration's nonproliferation policies and how they differ from those of the Carter administration.	
3. Review of the relation of U.S. nonproliferation policy to U.S. foreign policy and to U.S. defense and national security policy.	
4. Review of the relation of U.S. nonproliferation policy to domestic policy for development, regulation and use of nuclear power.	
5. Consideration of the implications of the International Nuclear Fuel Cycle Evaluation, initiated by President Carter, and of the second NPT Review Conference for U.S. nonproliferation policy and its administration.	
6. Detailed review and reconsideration of the Nuclear NonProliferation Act of 1978 in the light of the findings and recommendations of the Comptroller General's three year study of the act, due in March 1981, with respect to:	
-Fundamental policy statement;	
-Purpose of export licensing criteria and procedures;	

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MATTERS FOR LONGER TERM ATTENTION, CONTINUED

ITEM	RATING
<ul style="list-style-type: none"> -Purpose of post export controls, their criteria and procedures; -Renegotiation of existing agreements for cooperation, especially the requirement for retroactive application; and -Sanctions against violations of nonproliferation commitments. 	
7. Nuclear exports and technology transfer:	
<ul style="list-style-type: none"> -Their current value to the U.S. nuclear industry and to the U.S. economy; and -The current state of the "leverage" they provide for U.S. policy. 	
8. Direct proliferation:	
<ul style="list-style-type: none"> -What to do about nations suspected of interest in development of nuclear weapons independently of nuclear power (Israel, Pakistan, South Africa, Iraq). Ad hoc responses or contingency planning? 	
9. Arms control and defense policy linkage:	
<ul style="list-style-type: none"> -Relation of U.S. nonproliferation policy to U.S. policy for arms control and disarmament, particularly for SALT, the comprehensive nuclear test ban treaty, increased plutonium production for weapons, and no-first-use pledges. 	
10. Ways and means to limit proliferation -- political and institutional:	
<ul style="list-style-type: none"> -Use of influence derived from: <ul style="list-style-type: none"> -U.S. nuclear technological leadership; 	

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MATTERS FOR LONGER TERM ATTENTION, CONTINUED

ITEM	RATING
<ul style="list-style-type: none"> -U.S. political leadership; -Promises of reliable nuclear supply; and -Threats to deny supply. 	
-U.S. participation in the new IAEA Committee on Assurances of Supply (CAS).	
-U.S. participation in the IAEA's International Plutonium Storage study, and the possibility of relaxed U.S. post export controls over plutonium for States agreeing to such storage and control.	
-U.S. participation in the IAEA's International Spent Fuel Storage study.	
-U.S. participation in, or initiation of, negotiations to establish international or regional (multinational) arrangements for supply of uranium, enrichment, reprocessing and other nuclear fuel cycle services.	
-Reactivation of the London nuclear suppliers club to seek stronger controls over nuclear exports and technology transfers.	
11. Ways and means to limit proliferation -- technological:	
-Improving light water reactors to reduce the present need for breeders.	
-Developing fuel for breeders that is dangerous and difficult to divert and misuse.	
-Developing enrichment methods incapable of producing highly enriched uranium (The French approach).	
-Improving safeguards technology.	

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MATTERS FOR LONGER TERM ATTENTION, CONTINUED

ITEM	RATING
14. Organizational improvements.	
-Review of Federal agency assignments, responsibility and performance relating to nonproliferation for the Departments of Commerce, Energy and State, ACDA, EPA, NRC, NSC, and possible transfer of nuclear export licensing from the NRC.	
-Review of interagency coordination for nonproliferation policy and its administration.	
15. Environmental effects of U.S. nuclear exports.	
-Review of the effect of environmental reviews for nuclear exports on the reputation of the United States as a reliable nuclear supplier.	
-The role of the NRC and its proper jurisdiction. (Note, these questions are now in litigation)	

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PART III

LIST OF NON-PROLIFERATION MATTERS LIKELY TO REQUIRE ATTENTION IN 1981.

Most likely matters.

1. The Comptroller General's report to Congress in March 1981 on his three year study of the Nuclear NonProliferation Act and his possible recommendations for change.
2. Probable proposals from the nuclear industry and other sources to amend the nonproliferation act.
3. Extension of nuclear cooperation with Euratom for another year while the U.S. tries to renegotiate the existing agreement to get Euratom to agree to requirements of the nonproliferation act.
4. Department of Energy authorization to Japan to continue reprocessing spent nuclear fuel which is under U.S. control at its Tokai Mura facility. The present authorization expires in March 1981.
5. Department of Energy authorization to Japan and other countries to transfer spent fuel which is under U.S. control to the United Kingdom or France for storage and ultimate reprocessing.
6. Senate approval of the Convention on Physical Protection of Nuclear Materials which the U.S. signed on March 3, 1980.
7. An amendment to Title 18 of the U.S. Code to make certain offenses involving nuclear materials a punishable offense. This is needed to carry out the Convention mentioned above. The administration submitted draft legislation on August 22, 1980.
8. NRC action on the next exports of enriched uranium to India for its Tarapur reactors. A license application for the next two shipments was filed in September 1980. (The Senate upheld President Carter's authorization of two shipments in September 1980 by a margin of 2 votes.)
9. A decision by President Reagan whether to continue President Carter's requirement that exports of highly enriched uranium be approved by the President.

Likely matters

1. U.S. participation in the IAEA's study of International Plutonium Storage.

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LIST OF NONPROLIFERATION MATTERS LIKELY TO REQUIRE ATTENTION IN 1981
CONTINUED

2. U.S. participation in the IAEA's International Spent Fuel Storage study.
3. U.S. participation in the IAEA's Committee on Assurance of Supply, whose first report is in the spring of 1981.
4. Potential controversy with Pacific Ocean states over the U.S.-Japan study of a Pacific Spent Fuel Storage Center.

Less likely matters that might, however, arise.

1. Challenges to anticipated increased U.S. production of plutonium for weapons, in connection with the U.N.'s Special Session on Disarmament in 1982.
2. U.S. participation in a U.N. Conference on Peaceful Uses of Atomic Energy being organized for 1982 or 1983. The conference was proposed by Third World states and probably would be critical of U.S. policies and those of other nuclear supplier states.
3. Problems in renegotiation of the U.S. agreement for nuclear cooperation with Taiwan in the light of U.S. derecognition of that State.
4. Delays in renegotiation of other agreements for nuclear cooperation, which was supposed to be completed by March 1980.

WHD Revised 11/24/80