OBSERVATIONS ON OUR DIFFERENCES WITH THE WEST EUROPEANS

OVER NON-PROLIFERATION

The most bitter oppostion we found in our post-INFCE discussions in Western Europe was over the nature and extent of the controls mandated by the Nuclear Non-Proliferation Act - and what they perceive to be the Administration's policies - with respect to plutonium separation, circulation and use.

The statutory provisions causing them the greatest concern appear to be:

(1) The provisions governing how we exercise our rights of prior consent over the transfer of U.S.-origin spent fuel in Japan and other non-EC countries to France and the U.K. for reprocessing, and over the return of the separated plutonium to the customer country;

(The French and British fear that we will use such consent rights to hinder the execution of their existing contracts to reprocess foreign fuel and to head off the planned expansion of their reprocessing facilities. This fear is nursed by strong statements by certain influential U.S. Government consultants, Congressmen, and NRC members urging us to do just this.)

(2) The provisions requiring us to obtain a right of prior consent over transfers of U.S. origin spent fuel within the EC for reprocessing - under penalty of a cut-off of all U.S. nuclear cooperation with the EC.

(While they should have high confidence that we will not in fact cut them off - (since it would require a two-thirds vote by both houses of Congress to override a waiver of this provision by the President) - they deeply resent the deadline and the threat imposed by the statute. Moreover, in light of the concern mentioned in (1) above about how we would exercise such rights of prior consent if obtained, they will clearly refuse to give us such rights unless accompanied by reliable assurances as to how we will exercise them.)

(3) The provision calling for a cut-off of nuclear cooperation to any NNNS that imports reprocessing technology or equipment for a national facility.

Important factors underlying these European concerns include:

.....The commercial interest of the British and the French in selling reprocessing services at a high premium to Japan and others, which will help meet the front-end construction costs of their reprocessing facilities.

.....The conviction of the French that the fast breeder reactor is the reactor of choice for the future and their interest in being the leading supplier of such reactors and in depending heavily on them for France's energy requirements.

.....The determination of the British and Germans (like the U.S.) to keep the breeder option open for the next century, and by continuing rd + d on this option.

.....The public and regulatory perception in Germany (however ill-founded) that reprocessing is essential to solving the nuclear waste problem, and adds to the acceptability of the present generation of reactors.

.....The paranoia of the Germans (which is shared by the Italians and Belgians) about being discriminated against because of their status as non-nuclear-weapon states.

.....The commercial interest of the Belgians in maintaining their role as Europe's leading fabricator of plutonium fuel elements; and

.....An apparent perception that the Non-Proliferation Act and the Administration's policies on this subject are likely to be modified in the next few years, thus reducing their incentive to reach an accommodation with us.

Our ability to alleviate these concerns is greatly limited by the fact that the chief sponsors of the Non-Proliferation Act (Bingham, Zablocki, Glenn and Percy) consider the provisions cited above especially crucial, since their prime objective was to reduce the proliferation risks of separated plutonium. They maintain that safeguards are not enough where material in immediately weapons-usable form is involved, since a sudden abrogation of safeguards would enable a country to make weapons in a matter of days - obviously too short a time to take preventive action. While excessive emphasis may have been placed on this abrogation scenario, it is the standard by which the Congressmen concerned have made clear that they intend to measure our exercise of consent rights, and thus the concerns in (1) and (2) above are by no means groundless.

But aside from the question of the weight that should be given to the abrogation scenario, it seems clear that separated plutonium (like highly enriched uranium) does pose special proliferation risks because it is directly usable in nuclear weapons and for most countries is the pacing item in weapons production. Thus, from a non-proliferation policy point of view, it is desirable to minimize the spread of reprocessing centers, to ensure that they are in the safest possible locations and are not installed sooner than needed, to limit the plutonium that is separated to that which is currently needed (so as to prevent accumulations of separated plutonium), and to limit the demand for plutonium by discouraging premature decisions on commercialization of breeders. If successful, these steps would limit the demand for reprocessed plutonium to a handful of relatively safe industrialized countries and limit expansion of reprocessing to what is actually needed for the rd and d necessary for such countries to keep the breeder option open. We believe INFCE supports the conclusion that this would make sense economically.

We have been trying to see if approaches along these lines could reconcile our differences with the major industrial states. But they are unwilling to leave to us the judgment as to what their needs are, and they fear we will try to restrict their reprocessing capacity more tightly than they feel warranted. (And there remains the formidable problem of achieving acquiescence in such a solution from states where programs are not yet at a stage where we would consider reprocessing and breeder r + d acceptable.)

Our recent soundings in European capitals have made it clear that these issues are still far from resolution and may prove insoluble. Their interests have even led them to insist in INFCE on the intellectually dishonest conclusion that the proliferation risks of separated plutonium and irradiated spent fuel are not significantly different.

But the British, French and Germans do not reject the need for some measures to reduce the proliferation risks posed by plutonium. Thus:

(a) They remain prepared - at least for the time being - to refrain from new commitments to export reprocessing facilities and technology, although

.....It is not clear how long they are prepared to continue this policy;

.....They share our view that, while this restraint should be exercised in practice, it should not be touted publicly, in view of the intensity of international resentment of technology denials;

.....The Germans could fairly readily convince themselves that supplier involvement in an exported reprocessing plant, plus safeguards and international plutonium storage, might reduce the risk sufficiently, and be preferable to purely indigenous development of such a plant free of international controls.

.....They believe the policy should not be applied to the extent that they themselves cannot import components for their own reprocessing facilities.

(b) They are prepared to support our efforts in particularly troublesome areas such as Pakistan to contain what appears to be development of a nuclear explosive capability - although it is not clear what measures beyond nuclear export controls they will adopt in doing so.

(c) The French and British believe that their readiness to be suppliers of reprocessing services should help reduce the incentive of those they serve to build their own reprocessing plants. They cite the analogy of enrichment services (where this has proved to be the case), but soft-pedal the basic differences that

> .....low enrichment services (unlike reprocessing services) are indispensable to the operation of light water reactors, and
>
> .....the product of such services (unlike separated plutonium) is not directly usable in weapons.

To deal with the latter concerns, they point to their interest in international plutonium storage (discussed below).

(d) They seem determined to establish an international plutonium storage regime (as contemplated by the Statute of the IAFA) designed to prevent the accumulation of national stocks of separated plutonium in excess of current needs. But it is by no means clear that they are prepared to make such a regime a really effective non-proliferation tool, and they appear strongly inclined to believe that the establishment of such a regime, coupled with the measures described in (a), (b), and (c) above, should be considered sufficient to permit the use by

most countries and international circulation, of plutonium based fuels. While the British and the French may be willing to make clear that they do not currently foresee pursuing the option of commercial recycle of plutonium in light water reactors, they seem unwilling to do more than this to discourage others from pursuing that option.

Although we will work to ensure that these measures will be made as effective as possible, it is by no means clear that, without more, they can satisfy the requirements of the Non-Proliferation Act or of our policy concerns.

Our efforts to interest the British, French and Germans in multi-national solutions met polite expressions of interest, without much evidence that they wish to pursue this avenue seriously in the near future. The Germans also expressed concern about any major moves on non-proliferation in what for them, too, is an election year.

On the other hand, progress toward agreement on full scope safeguards as a condition of new supply commitments seemed more promising.

In all three capitals there were expressions of concern over statements on this subject at the economic summit that might appear to be a solution laid down by the summit countries without participation by all countries that might be affected.

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