The original documents are located in Box 24, folder "Nuclear Policy Statement (11)" of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

THE WHITE HOUSE

WASHINGTON

October 22, 1976

MEMORANDUM TO: DICK CHENEY

FROM: JIM CANNON

Jim Mitchell for Jim Lynn -- comments on the Nuclear Policy Report:

1. It has to go out before the election.

2. Today would look like the last minute.

3. As to why it is not out already -- need for State Department consultations with other countries. This matter is too important to be pushed by a political campaign here.

4. Practical reason not to do it today -- the President is not sufficiently briefed on his own report.

Cannon FYI

THE WHITE HOUSE

WASHINGTON

SEND TO DICK CHENEY
ON ~~AIR FORCE ONE~~ Scottland

October 25, 1976

1976 OCT 26 AM 11 06

MEMORANDUM FOR: DICK CHENEY

FROM: JIM CAVANAUGH

SUBJECT: Release of Statement on Nuclear Policy

Jim Reichley is working with the technical people on editing the statement on nuclear policy. He is not making any substantive changes--just making sure that the report is readable.

We also have a fact sheet that should be ready later tonight.

I will get to you tomorrow the final copies of the nuclear policy statement (30-plus pages) as well as the detailed fact sheet.

Our plan is to release them on Wednesday here and in Chicago simultaneously. I will work out the time with you, Nessen and the press people here. Scowcroft needs a 12-hour advance for the notifications they have to make internationally.

Our plan is to have Chuck Robson and Bob Fri brief at the State Department on the technical aspects of the statement when it is released.

THE WHITE HOUSE

WASHINGTON

October 25, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Nuclear Policy Statement

Attached is your statement on Nuclear Policy which has now been reviewed by NSC, OMB, State, ERDA and other related departments and agencies.

Brent Scowcroft, OMB, (Jim Mitchell) and I recommend you approve the release of this policy statement on Wednesday, October 27, 1976.

Approve _____ Disapprove _____

attachment

PRECEDENCE: ~~PRIORITY~~ | CLASSIFICATION: ~~SECRET~~

FROM: JIM CANNON

TO: D. CHENEY
R. NESSEN
(CHICAGO)

INFO:

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STATEMENT BY THE PRESIDENT

ON NUCLEAR POLICY

We have known since the age of nuclear energy began more than 30 years ago that this source of energy had the potential for tremendous benefits for mankind and the potential for unparalleled destruction.

On the one hand, there is no doubt that nuclear energy represents one of the best hopes for satisfying the rising world demand for energy with minimum environmental impact and with the potential for reducing dependence on uncertain and diminishing world supplies of oil.

On the other hand, nuclear fuel, as it produces power also produces plutonium, which can be chemically separated from the spent fuel. The plutonium can be recycled and used to generate additional nuclear power, thereby partially offsetting the need for additional energy resources. Unfortunately -- and this is the root of the problem -- the same plutonium produced in nuclear power plants can, when chemically separated, also be used to make nuclear explosives.

The world community cannot afford to let potential nuclear weapons material or the technology to produce it proliferate uncontrolled over the globe. The world community must ensure that production and utilization of such material by any nation is carried out under the most stringent security conditions and arrangements.

Developing the enormous benefits of nuclear energy while simultaneously developing the means to prevent proliferation is one of the major challenges facing all nations of the world today.

The standards we apply in judging most domestic and international activities are not sufficiently rigorous to deal with this extraordinarily complex problem. Our answers

cannot be partially successful. They will either work, in which case we shall stop proliferation; or they will fail and nuclear proliferation will accelerate as nations initially having no intention of acquiring nuclear weapons conclude that they are forced to do so by the actions of others. Should this happen, we would face a world in which the security of all is critically imperiled. Maintaining international stability in such an environment would be incalculably difficult and dangerous. In times of regional or global crisis, risks of nuclear devastation would be immeasurably increased -- if not through direct attack, then through a process of ever expanding escalation.

The problem can be handled as long as we understand it clearly and act wisely in concert with other nations. But we are faced with a threat of tragedy if we fail to comprehend it or to take effective measures.

Thus, the seriousness and complexity of the problem place a special burden on those who propose ways to control proliferation. They must avoid the temptation for rhetorical gestures, empty threats, or righteous posturing. They must offer policies and programs which deal with the world as it is, not as we might wish it to be. The goal is to prevent proliferation, not simply to deplore it.

The first task in dealing with the problem of proliferation is to understand the world nuclear situation.

More than 30 nations have or plan to build nuclear power plants to reap the benefits of nuclear energy. The 1973 energy crisis dramatically demonstrated to all nations not only the dangers of excessive reliance on oil imports, but also the reality that the world's supply of fossil fuels is running out. As a result, nuclear energy is now properly seen by many nations as an indispensable way to satisfy rising energy demand without prematurely depleting finite fossil fuel resources. We must understand the motives which are leading

these nations, developed and developing, to place even greater emphasis than we do on nuclear power development. For unless we comprehend their real needs, we cannot expect to find ways of working with them to ensure satisfaction of both our and their legitimate concerns.

Moreover, several nations besides the United States have the technology needed to produce both the benefits and the destructive potential of nuclear energy. Nations with such capabilities are able to export their technology and facilities.

Thus, no single nation, not even the United States, can realistically hope -- by itself -- to control effectively the spread of reprocessing technology and the resulting availability of plutonium.

The United States once was the dominant world supplier of nuclear material equipment and technology. While we remain a leader in this field, other suppliers have come to share the international market -- with the U.S. now supplying less than half of nuclear reactor exports.

In short, for nearly a decade the U.S. has not had a monopoly on nuclear technology. Although our role is large, we are not able to control worldwide nuclear development.

For these reasons, action to control proliferation must be an international cooperative effort involving many nations, including both nuclear suppliers and customers. Common standards must be developed and accepted by all parties. If this is not done, unrestrained trade in sensitive nuclear technology and materials will develop -- with no one in a position to stop it.

We in the United States must recognize that interests in nuclear energy vary widely among nations. We must recognize that some nations look to nuclear energy because they have no acceptable energy alternative. We must be sure that our efforts to control proliferation are not viewed by such nations as an act to prevent them from enjoying the benefits of nuclear

energy. We must be sure that all nations recognize that the U.S. believes that non-proliferation objectives must take precedence over economic and energy benefits if a choice must be made.

PREVIOUS ACTION

During the past 30 years, the U.S. has been the unquestioned leader in worldwide efforts to assure that the benefits of nuclear energy are made available widely while its destructive uses are prevented. I have given special attention to these objectives during the past two years, and we have made important new progress, particularly in efforts to control the proliferation of nuclear weapons capability among the nations of the world.

In 1974, soon after I assumed office, I became concerned that some nuclear supplier countries, in order to achieve competitive advantage, were prepared to offer nuclear exports under conditions less rigorous than we believed prudent. In the fall of that year, at the United Nations General Assembly, the United States proposed that non-proliferation measures be strengthened materially. I also expressed my concern directly to my counterparts in key supplier and recipient nations. I directed the Secretary of State to emphasize multilateral action to limit this dangerous form of competition.

At U.S. initiative, the first meeting of major nuclear suppliers was convened in London in April 1975. A series of meetings and intensive bilateral consultations followed.

As a result of these meetings, we have significantly raised international standards through progressive new guidelines to govern nuclear exports. These involve both improved safeguards and controls to prevent diversion of nuclear materials and to guard against the misuse of nuclear technology and physical protection against theft and sabotage. The United States has adopted these guidelines as policy for nuclear exports.

In addition, we have acted to deal with the special dangers associated with plutonium.

-- We have prohibited export of reprocessing and other nuclear technologies that could contribute to proliferation.

-- We have firmly opposed reprocessing in Korea and Taiwan. We welcome the decisions of those nations to forego such activities. We will continue to discourage national reprocessing in other locations of particular concern.

-- We negotiated agreements for cooperation with Egypt and Israel which contain the strictest reprocessing provisions and other nuclear controls ever included in the twenty-year history of our nuclear cooperation program.

-- In addition, the United States recently completed negotiations to place its civil nuclear facilities under the safeguards of the International Atomic Energy Agency -- and the IAEA has approved a proposed agreement for this purpose.

NEW INITIATIVES

Last summer, I directed that a thorough review be undertaken of all our nuclear policies and options to determine what further steps were needed. I have considered carefully the results of that review, held discussions with Congressional leaders, and benefited from consultations with leaders of other nations. I have decided that new steps are needed, building upon the progress of the past two years. Today, I am announcing a number of actions and proposals aimed at:

-- strengthening the commitment of the nations of the world to the goal of non-proliferation and building an effective system of international controls to prevent proliferation;

-- changing and strengthening U.S. domestic nuclear policies and programs to support our non-proliferation goals; and

-- establishing, by these actions, a sound foundation for the continued and increased use of nuclear energy in the U.S. and in the world in a safe and economic manner.

The task we face calls for an international cooperative venture of unprecedented dimensions. The U.S. is prepared to work with all other nations.

PRINCIPAL POLICY DECISIONS

I have concluded that the reprocessing and recycling of plutonium should not proceed unless there is sound reason to conclude that the world community can effectively overcome the associated risks of proliferation. I believe that avoidance of proliferation must take precedence over economic interests. I have also concluded that the United States and other nations can and should increase their use of nuclear power for peaceful purposes even if reprocessing and recycling of plutonium are found to be unacceptable.

Vigorous action is required domestically and internationally to make these judgments effective.

-- I have decided that the United States should greatly accelerate its diplomatic initiatives, in conjunction with nuclear supplier and consumer nations, to control the spread of plutonium and technologies for separating plutonium.

Effective non-proliferation measures will require the participation and support of nuclear suppliers and consumers. There must be coordination in restraints so that an effective non-proliferation system is achieved and there must be cooperation in assuring reliable fuel supplies so that peaceful energy needs are met.

-- I have decided that the United States should no longer regard reprocessing of used nuclear fuel to produce plutonium as a necessary and inevitable step in the nuclear fuel cycle, and that we should pursue reprocessing and recycling in the future only if they are found to be consistent with our international objectives.

We must ensure that our domestic policies and programs are compatible with our international position on reprocessing and that we work closely with other nations in evaluating nuclear fuel reprocessing.

-- The steps I am announcing today will assure that the necessary increase in our use of nuclear energy will be carried on with safety and without aggravating the danger of proliferation.

Even with strong efforts to conserve, we will have increasing demands for energy for a growing American economy. To satisfy these needs, we must rely on increased use of both nuclear energy and coal until more acceptable alternatives are developed. We will continue pushing ahead with work on all promising alternatives such as solar energy but now we must count on the technology that works. We cannot expect a major contribution to our energy supply from alternative technologies until late in this century.

To implement my overall policy decisions, I have decided on a number of policies that are necessary and appropriate to meet our non-proliferation and energy objectives.

-- First, our domestic policies must be changed to conform to my decision on deferral of the commercialization of chemical reprocessing of nuclear fuel which results in the separation of plutonium.

-- Second, I call upon all nations to join us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and facilities by avoiding such sensitive exports or commitments for a period of at least three years.

-- Third, new cooperative steps are needed to help assure that all nations have an adequate and reliable supply of energy for their needs. I believe, most importantly, that nuclear supplier nations have a special obligation to assure that customer nations have an adequate supply

of fuel for their nuclear power plants, if those customer nations forego the acquisition of reprocessing and uranium enrichment capabilities and accept effective proliferation controls.

-- Fourth, the U.S. must maintain its role as a major and reliable world supplier of nuclear reactors and fuel for peaceful purposes. Our strong position as a supplier has provided the principal basis for our influence and leadership in worldwide non-proliferation efforts. A strong position will be equally important in the future. While reaffirming this nation's intent to be a reliable supplier, the U.S. seeks no competitive advantage by virtue of the worldwide system of effective non-proliferation controls that I am calling for today.

-- Fifth, new efforts must be made to urge all nations to join in a full-scale international cooperative effort -- which I shall outline in detail -- to develop a system of effective controls to prevent proliferation.

-- Sixth, the U.S. must take new steps with respect to its own exports to control proliferation, while seeking to improve multilateral guidelines.

-- Seventh, the U.S. must undertake a program to evaluate reprocessing in support of the international policies I have adopted.

-- Finally, I have concluded that new steps are needed to assure that we have in place when needed, both in the U.S. and around the world, the facilities for the long-term storage or disposal of nuclear wastes.

ACTIONS TO IMPLEMENT OUR NUCLEAR POLICIES

In order to implement the nuclear policies that I have outlined, major efforts will be required within the United States and by the many nations around the world with an interest in

nuclear energy. To move forward with these efforts, I am today taking a number of actions and making a number of proposals to other nations.

I. Change in U.S. Policy on Nuclear Fuel Reprocessing

With respect to nuclear fuel reprocessing, I am directing agencies of the Executive Branch to implement my decision to delay commercialization of reprocessing activities in the U.S. until uncertainties are resolved. Specifically, I am:

-- Directing the Administrator of the Energy Research and Development Administration (ERDA) to:

° change ERDA policies and programs which heretofore have been based on the assumption that reprocessing would proceed;

° encourage prompt action to expand spent fuel storage facilities, thus assuring utilities that they need not be concerned about shutdown of nuclear reactors because of delays; and

° identify the research and development efforts needed to investigate the feasibility of recovering the energy value from used nuclear fuel without separating plutonium.

II. Restraint in the Transfer of Sensitive Nuclear Technology and Facilities

Despite the gains in controlling proliferation that have been made, the dangers posed by reprocessing and the prospect of uncontrolled availability of plutonium require further, decisive international action. Effective control of the parallel risk of spreading uranium enrichment technology is also necessary. To meet these dangers:

-- I call upon all nations to join with us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and facilities by avoiding such sensitive exports or commitments for a period of at least three years.

This will allow suppliers and consumers to work together to establish reliable means for meeting nuclear needs with minimum risk, as we assess carefully the wisdom of plutonium use. As we proceed in these efforts, we must not be influenced by pressures to approve the export of these sensitive facilities.

III. Assuring an Adequate Energy Supply for Customer Nations

-- I urge nuclear suppliers to provide nuclear consumers with fuel services, instead of sensitive technology or facilities.

Nations accepting effective nonproliferation restraints have a right to expect reliable and economic supply of nuclear reactors and associated, nonsensitive fuel.

All such nations would share in the benefits of an assured supply of nuclear fuel, even though the number and location of sensitive facilities to generate this fuel is limited to meet nonproliferation goals. The availability of fuel cycle services in several different nations can provide ample assurance to consumers of a continuing and stable source of supply.

It is also desirable to continue studying the idea of a few suitably-sited multinational fuel cycle centers to serve regional needs, when effectively safeguarded and economically warranted. Through these and related means, we can minimize incentives for the spread of dangerous fuel cycle capabilities.

The United States stands ready to take action, in cooperation with other concerned nations, to assure reliable supplies of nuclear fuel at equitable prices to any country accepting responsible restraints on its nuclear power program with regard to reprocessing, plutonium disposition, and enrichment technology.

-- I am directing the Secretary of State to initiate consultations to explore with other nations arrangements for coordinating fuel services and for developing other means of ensuring that suppliers will be able to offer, and consumers will be able to receive, an uninterrupted and economical supply of low-enriched uranium fuel and fuel services.

These discussions will address ways to ensure against economic disadvantage to cooperating nations and to remove any sources of competition which could undermine our common nonproliferation efforts.

To contribute to this initiative, the U.S. will offer binding letters of intent for the supply of nuclear fuel to current and prospective customers willing to accept such responsible restraints.

-- In addition, I am directing the Secretary of State to enter into negotiations or arrangements for mutual agreement on disposition of spent fuel with consumer nations that adopt responsible restraints.

Where appropriate, the United States will provide consumer nations with either fresh, low-enriched uranium fuel or make other equitable arrangements in return for mutual agreement on the disposition of spent fuel where such disposition demonstrably fosters our common and cooperative nonproliferation objectives. The United States seeks no commercial advantage in pursuing options for fuel disposition and assured fuel supplies.

-- Finally, the U.S. will continue to expand cooperative efforts with other countries in developing their indigenous non-nuclear energy resources.

The U.S. has proposed and continues to advocate the establishment of an International Energy Institute, specifically designed to help developing countries match the most economic and readily available sources of energy to their power needs. Through this Institute and other appropriate means, we will offer technological assistance in the development of indigenous energy resources.

IV. Strengthening the U.S. Role as a Reliable Supplier

If the U.S. is to continue its leadership role in world-wide non-proliferation efforts, it must be a reliable supplier of nuclear reactors and fuel for peaceful purposes. There are two principal actions we can take to contribute to this objective.

-- I will submit to the new Congress proposed legislation that will permit the expansion of capacity in the United States to produce enriched uranium, including the authority needed for expansion of the Government-owned plant at Portsmouth, Ohio. I will also work with Congress to establish a framework for a private, competitive industry to finance, build, own and operate enrichment plants.

U.S. capacity has been fully committed since mid-1974 with the result that no new orders could be signed. The Congress did not act on my full proposal and provided only limited and temporary authority for proceeding with the Portsmouth plant. We must have additional authority to proceed with the expansion of capacity without further delay.

-- I will work closely with the Congress to ensure that legislation for improving our export controls results in a system that provides maximum assurance that the U.S. will be a reliable supplier to other nations for the full period of agreements.

One of the principal concerns with export legislation proposed in the last Congress was the fear that foreign customers could be subjected to arbitrary new controls imposed well after a long-term agreement and specific contracts for nuclear power plants and fuel had been signed. In the case of nuclear plants and fuel, reliable long-term agreements are essential and we must adopt export controls that provide reliability while meeting non-proliferation objectives.

V. International Controls Against Proliferation

To reinforce the foregoing policies, we must develop means to establish international restraints over the accumulation of plutonium itself, whether in separated form or in unprocessed spent fuel. The accumulation of plutonium under national control, especially in a separated form, is a primary proliferation risk.

-- I am directing the Secretary of State to pursue vigorously discussions aimed at the establishment of a new international regime to provide for storage of civil plutonium and spent reactor fuel.

The United States made this proposal to the International Atomic Energy Agency and other interested nations last spring.

Creation of such a regime will greatly strengthen world confidence that the growing accumulation of excess plutonium and spent fuel can be stored safely, pending reentry into the nuclear fuel cycle or other safe disposition. I urge the IAEA, which is empowered to establish plutonium depositories, to give prompt implementation to this concept.

Once a broadly representative IAEA storage regime is in operation, we are prepared to place our own excess civil plutonium and spent fuel under its control. Moreover, we are prepared to consider providing a site for international storage under IAEA auspices.

The inspection system of the IAEA remains a key element in our entire nonproliferation strategy. The world community must make sure that the Agency has the technical and human resources needed to keep pace with its expanding responsibilities. At my direction, we have recently committed substantial additional resources to help upgrade the IAEA's technical safeguards capabilities, and I believe we must strengthen further the safeguard functions of the IAEA.

-- I am directing the Secretary of State and Administrator of ERDA to undertake a major international effort to ensure that adequate resources for this purpose are made available, and that we mobilize our best scientific talent to support that Agency. Our principal national laboratories with expertise in this area have been directed to provide assistance, on a continuing basis, to the IAEA Secretariat.

The terrible increase in violence and terrorism throughout the world has sharpened our awareness of the need to assure rigorous protection for sensitive nuclear materials and equipment. Fortunately, the need to cope with this problem is now broadly recognized. Many nations have responded to the initiatives which I have taken in this area by materially strengthening their physical security and by cooperating in the development of international guidelines by the IAEA. As a result of consultations among the major suppliers, provision for adequate physical security is becoming a normal condition of supply.

We have an effective physical security system in the United States. But steps are needed to upgrade physical security systems and to assure timely international collaboration in the recovery of lost or stolen materials.

-- I have directed the Secretary of State to address vigorously the problem of physical security at both bilateral and multilateral levels, including exploration of a possible international convention.

The United States is committed to the development of the system of international controls that I have here outlined. Even when complete, however, no system of controls is likely to be effective if a potential violator judges that his acquisition of a nuclear explosive will be received with indifference by the international community.

Any material violation of a nuclear safeguards agreement -- especially the diversion of nuclear material for use in making explosives -- must be universally judged to be an extremely serious affront to the world community, calling for the immediate imposition of drastic sanctions.

-- I serve notice today that the United States will, at a minimum, respond to violation by any nation of any safeguards agreement to which we are a party with an immediate cutoff of our supply of nuclear fuel and cooperation to that nation.

We would consider further steps, not necessarily confined to the area of nuclear cooperation, against the violator nation. Nor will our actions be limited to violations of agreements in which we are directly involved. In the event of material violation of any safeguards agreement, particularly agreements with the IAEA, we will initiate immediate consultations with all interested nations to determine appropriate action.

Universal recognition of the total unacceptability of the abrogation or violation of any nonproliferation agreements is one of the most important steps which can be taken to prevent further proliferation. We invite all concerned governments to affirm publicly that they will regard nuclear wrongdoing as an intolerable violation of acceptable norms of international behavior, which would set in motion strong and immediate countermeasures.

VI. U.S. Nuclear Export Policies

During the past two years, the United States has strengthened its own national nuclear export policies. Our interests, however, are not limited to controls alone. The United States has a special responsibility to share the benefits of peaceful nuclear energy with other countries. We have sought to serve other nations as a reliable supplier of nuclear fuel and equipment. Given the choice between economic benefits and progress toward our nonproliferation goals, we have given, and will continue to give, priority to nonproliferation. But there should be no incompatibility between nonproliferation and assisting other nations in enjoying the benefits of peaceful nuclear power, if all supplier countries pursue common nuclear export policies. There is need, however, for even more rigorous controls than those now commonly employed, and for policies that favor nations accepting responsible nonproliferation limitations.

-- I have decided that we will henceforth apply new criteria in judging whether to enter into new or expanded nuclear cooperation:

  . Adherence to the Non-proliferation Treaty will be a strong positive factor favoring cooperation with a nonnuclear weapon state.

  . Nonnuclear weapons states that have not yet adhered to the Non-proliferation Treaty will receive positive recognition if they are prepared to submit to full fuel cycle safeguards, pending adherence.

- We will favor recipient nations that are prepared to forego, or postpone for a substantial period the establishment of national reprocessing or enrichment activities or, in certain cases, prepared to shape and schedule their reprocessing and enriching facilities to foster nonproliferation needs.
- Positive recognition will also be given to nations prepared to participate in an international storage regime, under which spent fuel and any separated plutonium would be placed pending use.

Exceptional cases may occur in which nonproliferation will be served best by cooperating with nations not yet meeting these tests. However, I pledge that the Congress will not be asked to approve any new or amended agreement not meeting these new criteria unless I personally determine that the agreement is fully supportive of our non-proliferation goals. In case of such a determination, my reasons will be fully presented to the Congress.

-- With respect to countries that are current recipients of U.S. nuclear supply, I am directing the Secretary of State to enter into negotiations with the objective of conforming these agreements to established international guidelines, and to seek through diplomatic initiatives and fuel supply incentives to obtain their acceptance of our new criteria.

We must recognize the need for effective multilateral approaches to nonproliferation and prevent nuclear export controls from becoming an element of commercial competition.

-- I am directing the Secretary of State to intensify discussions with other nuclear suppliers aimed at expanding common guidelines for peaceful cooperative agreements so that they conform with these criteria.

In this regard, the United States would discuss ways of developing incentives that can lead to acceptance of these criteria, such as assuring reliable fuel supplies for nations accepting new restraints.

The reliability of American assurances to other nations is an asset that few, if any, nations of the world can match. It must not be eroded. Indeed, nothing could more prejudice our efforts to strengthen our existing nonproliferation understandings than arbitrary suspension or unwarranted delays in meeting supply commitments to countries which are dealing with us in good faith regarding effective safeguards and restraints.

Despite my personal efforts, the 94th Congress adjourned without passing nuclear export legislation which would have strengthened our effectiveness in dealing with other nations on nuclear matters.

-- In the absence of such legislation, I am directing the Secretary of State to work closely with the Nuclear Regulatory Commission to ensure proper emphasis on nonproliferation concerns in the nuclear export licensing process.

I will continue to work to develop bipartisan support in Congress for improvements in our nuclear export laws.

VII. Reprocessing Evaluation Program

The world community requires an aggressive program to build the international controls and cooperative regimes I have just outlined. I am prepared to mount such a program in the United States.

-- I am directing the Administrator of ERDA to:

. Begin immediately to define a reprocessing and recycle evaluation program consistent with meeting our international objectives outlined earlier in this statement. This program should complement the Nuclear Regulatory Commission's (NRC) ongoing considerations of safety safeguards and environmental requirements for reprocessing and recycling activities, particularly its Generic Environmental Statement on Mixed Oxide Fuels.

. Investigate the feasibility of recovering the energy value from used nuclear fuel without separating our plutonium.

-- I am directing the Secretary of State to invite other nations to participate in designing and carrying out ERDA's reprocessing and recycle evaluation program, consistent with our international energy cooperation and non-proliferation objectives. I will direct that activities carried out in the U.S. in connection with this program be subjected to full IAEA safeguards and inspections.

VIII. Nuclear Waste Management

The area of our domestic nuclear program dealing with long-term management of nuclear wastes from our commercial nuclear power plants has not in the past received sufficient attention. In my 1977 Budget, I proposed a four-fold increase in funding for this program, which involves the activities of several Federal agencies. We recently completed a review to determine what additional actions are needed to assure availability in the mid-1980's of a Federally-owned and managed repository for long-term nuclear wastes, well before significant quantities of wastes begin to accumulate.

I have been assured that the technology for long-term management or disposal of nuclear wastes is available but demonstrations are needed.

-- I have directed the Administrator of ERDA to take the necessary action to speed up this program so as to demonstrate all components of waste management technology by 1978 and to demonstrate a complete repository for such wastes by 1985.

-- I have further directed that the first demonstration depository for high-level wastes which will be owned by the Government be submitted for licensing by the independent NRC to assure its safety and acceptability to the public.

In view of the decisions announced today, I have also directed the Administrator of ERDA to assure that the waste repository will be able to handle spent fuel elements as well as the separated and solidified waste that would result if we proceed with nuclear fuel reprocessing.

The United States continues to provide world leadership in nuclear waste management. I am inviting other nations to participate in and learn from our programs.

-- I am directing the Secretary of State to discuss with other nations and the IAEA the possibility of establishing centrally located, multinationally controlled nuclear waste repositories so that the number of sites that are needed can be limited.

INCREASED USE OF NUCLEAR ENERGY IN THE UNITED STATES

Even with strong conservation efforts, energy demands in the United States will continue to increase in response to the needs of a growing economy. The only alternative over the next 15 to 20 years to increased use of both nuclear energy and coal is greater reliance on imported oil which will jeopardize our nation's strength and welfare.

We now have in the United States 62 licensed nuclear plants, providing about 9 percent of our electrical energy. By 1985 we will have from 145 to 160 plants, supplying 20 percent or more of the Nation's electricity.

In many cases, electricity from nuclear plants is markedly cheaper than that produced from either oil or coal-fired plants. Nuclear energy is environmentally preferable in a number of respects to other principal ways of generating electricity.

Commercial nuclear power has an excellent safety record, with nearly 200 plant years of experience (compiled over 18 chronological years) without a single death from a nuclear accident. I have acted to assure that this record is maintained in the years ahead. For example, I have increased funds for the independent Nuclear Regulatory Commission and for the Energy Research and Development Administration for reactor safety research and development.

The decisions and actions I am announcing today will help overcome the uncertainties that have served to delay the expanded use of nuclear energy in the United States. While the decision to delay reprocessing is significant, it will not prevent us from increasing our use of nuclear energy. We are on the right course with our nuclear power program in America. The changes I am announcing today will ensure that we continue.

My decisions today do not effect the U.S. program of research and development on the breeder reactor. That program assumes that no decision on the commercial operations of breeder reactors, which require plutonium fuel, will be made before 1986.

CONCLUSION

I do not underestimate the challenge represented in the creation of a world-wide program that will permit capturing the benefits of nuclear energy while maintaining needed protection against nuclear proliferation. The challenge is one that can be managed only partially and temporarily by technical measures.

It can be managed fully if the task is faced realistically by nations prepared to forego perceived short-term advantages in favor of fundamental long-term gains. We call upon all nations to recognize that their individual and collective interests are best served by internationally assured and safeguarded nuclear fuel supply, services and storage. We ask them to turn aside from pursuing nuclear capabilities which are of doubtful economic value and have ominous implications for nuclear proliferation and instability in the world.

The growing international consensus against the proliferation of nuclear weapons is a source of encouragement. But it is certainly not a basis for complacency.

Success in meeting the challenge now before us depends on an extraordinary coordination of the policies of all nations toward the common good. The U.S. is prepared to lead, but we cannot succeed alone. If nations can work together constructively and cooperatively to manage our common nuclear problems we will enhance our collective security. And we will be better able to concentrate our energies and our resources on the great tasks of construction rather than consume them in increasingly dangerous rivalry.

THE WHITE HOUSE

WASHINGTON

October 27, 1976

MEMORANDUM TO: DICK CHENEY

FROM: JIM CANNON

SUBJECT: Nuclear Policy Statement Plan

In order to make certain that the President's statement on nuclear policy is properly understood and reported by the media representatives who cover nuclear matters, we propose this schedule:

- ~~At 9:30~~ a.m., Thursday, October 28, the press -- both the press traveling with the President and the Washington press -- will be given copies of the President's statement and fact sheet, embargoed for 11:00 a.m.

- At ~~10:00 a~~.m., Bob Fri, Chuck Robinson ~~and Jim Connor~~ will brief in the White House Press Room.

- ~~At 11:00~~ a.m. the statement will become public.

When the President speaks at noon in Cincinnati, he could refer to the fact that he had made an announcement which would mean 6,000 jobs and a $4 billion plant in Portsmouth, Ohio.

Jack Marsh, Brent Scowcroft, Jim Cavanaugh and I recommend this schedule.

Approve ___________ Disapprove _______________

cc: Ron Nessen

REQUEST

THE WHITE HOUSE

WASHINGTON

76 OCT 27 PM 3 46

October 27, 1976

TO: JIM CANNON

FROM: GLENN SCHLEEDE

SUBJECT: PARAGRAPH FOR JACK MARSH OR JOE JENCKS

Here is a proposed paragraph for use as talking points in a conversation with John Anderson, Howard Baker, Chuck Percy and Javits.

At 11 AM. Thursday, Oct 28,

~~Tomorrow (later today),~~ the President will be issuing a major statement on nuclear policy.

It focuses on two major objectives:

- preserving the energy benefits of nuclear energy.
- preventing nuclear proliferation.

It's a comprehensive ~~statement~~ and, we believe, balanced statement in that it deals with all the outstanding nuclear policy issues: proliferation, exports, reprocessing of nuclear fuel, and nuclear waste management.

It reflects three major policy positions:

- First, the U.S. will step up diplomatic activities to get all nations to help control proliferation, principally by avoiding the spread of reprocessing technology and controlling plutonium.

- Second, U.S. policy on reprocessing must change. Specifically, we should proceed with nuclear fuel reprocessing only if we can safely conclude that the world can overcome the associated risks of proliferation.

- Third, the U.S. and other nations can and should increase the use of nuclear energy -- whether or not reprocessing is later approved.

The policy decisions are then followed up in the statement with a comprehensive set of implementing actions -- domestically and internationally.

FOR IMMEDIATE RELEASE October 27, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET

PRESIDENT'S NUCLEAR WASTE MANAGEMENT PLAN

As one part of his comprehensive statement on nuclear policy, the President today announced new steps to assure that the U.S. has in place when needed, the facilities for long-term management of nuclear wastes from our commercial power plants.

BACKGROUND

-- In his 1977 Budget, the President proposed a four-fold increase in the funding of the Energy Research and Development Administration's program for dealing with the long-term management of nuclear wastes.

-- In March 1976, a review of Federal nuclear waste management activities was undertaken by an interagency task force.

-- The President's actions today were based on the findings of that review.

THE PRESIDENT'S ACTION ON NUCLEAR WASTE MANAGEMENT

In one part of his comprehensive nuclear policy statement, the President directed that actions be taken to speed up the program to demonstrate all components of waste management technology by 1978, and to demonstrate a complete respository by 1985. He also directed that plans for the repository be submitted to the NRC for licensing to assure its safety and acceptability.

BACKGROUND INFORMATION AND DETAILS OF THE PLAN

A. Nuclear Waste Requiring Long-Term Management

U.S. commercial nuclear power reactors "burn" low enriched uranium fuel and produce in spent fuel rods a mixture of plutonium, low enriched uranium and waste products. Certain of these waste products are highly radioactive and could constitute a hazard for tens of thousands of years if they escaped to the biosphere.

- If spent fuel rods are reprocessed, the wastes would be separated from the uranium and plutonium (which could be saved and recycled as fuel), put into solid form and encased in metal canisters, and sent to a repository for disposal.

- If there is no reprocessing, the spent fuel rods themselves must be packaged and disposed of in a repository.

Under either alternative, nuclear wastes must be isolated from the environment for centuries and the President's plan will accommodate both alternatives.

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B. The Nuclear Waste Problem and Alternatives for Dealing With It That Have Been Considered.

The principle problem in safely managing the waste is confining the radioactivity rather than finding enough storage space. Recent calculations using realistic assumptions regarding numbers of reactors and disposal technology indicate the total volume of solidified high-level wastes produced by commercial nuclear power in the U.S. through 2000 will be equivalent to a cube about 70 feet on each side.

Technology or means for nuclear waste disposal and management have been developed and demonstrated on a small scale. However, we do not yet have available a repository for nuclear waste disposal. Most spent fuel rods are continuing to be stored safely in temporary storage basins at reactor sites.

A wide variety of methods for permanent disposal of these wastes has been considered:

- Experts have concluded that the most practical method is geologic storage in repositories in stable formations deep underground.

- Other methods under study, but which do not seem practical at present, are deep geologic disposal under the ocean floor, transmutation, and launching them into space.

Considerable public concern has been expressed that the Federal Government has not yet demonstrated that it can fulfill its responsibility to provide a repository for safe disposal of nuclear waste.

Tasks ahead include further demonstration of the technology, selecting an acceptable site, and proceeding with a coordinated program to assure that a facility will be available, when needed, about 1985.

C. The Federal Government's Waste Management Responsibility.

The Federal Government has assumed the responsibility for long-term disposal of high-level wastes because of the limited incentives for private parties to engage in commercial storage of these wastes. Private industry is responsible for packaging and delivering the waste in a prescribed form to a Federal repository.

D. Principal Actions Needed and the Status of Those Actions

1. Generic Environmental Impact Statement (GEIS)

Because the program to build and operate a repository will represent a major Federal action with potentially significant environmental impact, the ERDA is required to prepare a generic environmental impact statement (GEIS) on its waste management program.

- The GEIS will examine the impacts of all the major waste management alternatives.

- Statement will cover all types of nuclear wastes from the light water reactor fuel cycle.

- Other environmental impact statements (EIS's) will be required when (i) regulations are proposed, and (ii) when construction funds are requested from Congress.

Status - ERDA has been at work for some time on the GEIS. No major problems are anticipated in completing the statement by late 1977.

2. General Environmental Standards

The Atomic Energy Act, as amended, requires the EPA to issue general environmental standards for releases to the biosphere from nuclear facilities. These standards will include a numerical limit to long-term radiation releases outside the boundaries of the repository -- above the natural background radiation. The standards need to be available as early as possible during the process of locating and constructing the repository.

Status - EPA will propose the general standards covering high level waste in 1977 and publish them in final form by mid-1978, in time for the Nuclear Regulatory Commission (NRC) to issue its regulations and prior to site selection and construction.

3. Licensing of Waste Repository

The Energy Reorganization Act of 1974 requires that high-level commercial waste repositories be licensed by the NRC prior to operation. The NRC is also responsible for issuing the appropriate criteria and standards to assure that the respository is constructed and operated in a safe and environmentally acceptable manner.

Status - ERDA has been directed to ask the NRC to subject the repository to a licensing procedure before the first commercial wastes are shipped. NRC will produce criteria and standards by 1978 governing the construction and operation of the repository prior to the time the site is finally determined and construction begins.

4. Construction and Operation of a Repository

ERDA, supported by other Federal agencies, has the responsibility to construct and operate the repository, including:

- finding an acceptable site
- acquiring the land
- designing the repository
- constructing, operating, and sealing the repository

Status

- FY 1977 appropriations increased funding for this program to $66 million, up from $12 million in FY 1976.

- The President today directed the Administrator to assure the small scale demonstration by 1978 of the process technologies (such as waste solidification, transuranic volume reduction, canister design, etc.), and by 1985 to have the repository in operation.

E. Timetable for Actions

The principle actions and dates for their accomplishment are listed below.

1976 - ERDA issued for public review the Technical Alternatives Document which explains the current state of waste management technology.

1977 - ERDA issues draft generic environmental impact statement on waste management no later than the early part of the year and begins extensive program to identify, test and select a site.

- EPA proposes draft generally applicable standards for permanent storage of high-level wastes.

- NRC publishes draft standards for solidified high-level wastes and draft siting, engineering and operating criteria for repositories for high-level wastes. Each element will include the appropriate draft environmental impact statements.

1978 - ERDA will complete initial demonstration work on canister design, waste solidification, and preliminary repository design, and continue site selection process.
- NRC finalizes proposed site selection criteria, solidification criteria, waste definitions and operating criteria and regulations.
- EPA issues final general ambient standards for high level waste disposal.

1979 - ERDA selects a particular repository site, issues a draft site specific EIS, and begins intensive site and design work.
- NRC performs early site review of ERDA repository; issues next phase of draft regulations for canister design, transportation, etc.

1980 - ERDA completes site and design studies, submits preliminary safety analysis and environmental report to NRC in support of construction permit.

1981 - ERDA begins construction with approval of NRC.

1984 - Construction completed, repository tested with "cold" wastes.

1985 - NRC issues repository license.
- Repository begins initial commercial-scale operations.

F. The Interagency Review of Nuclear Waste Management.
The review of nuclear waste management was completed by an interagency Task Force led by the Office of Management and Budget (OMB) and including participants from the agencies having a role in nuclear waste management. Specifically: the Council on Environmental Quality (CEQ), the Energy Research and Development Administration (ERDA), the Environmental Protection Agency (EPA), U.S. Geological Survey (Interior Department), and the National Science Foundation (NSF). The independent Nuclear Regulatory Commission (NRC) participated as an observer.

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