

**The original documents are located in Box 37, folder “Uranium Enrichment - Draft Documents (2)” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.**

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SAFEGUARDS REVIEW (NSC)



DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL  
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

June 20, 1975

MEMORANDUM FOR: MR. GLENN SCHLEEDE  
Domestic Council  
White House

Attached is the final version of our background paper on the National Security Implications of the U.S. Decision to Move Towards Private Enrichment.

This reflects input from the various interested agencies, including State, the NSC, ERDA, OMB and ACDA.

*Hal*  
Harold D. Bengelsdorf

Attachment

cc: ERDA - Mr. Johnson  
ERDA - Mr. Sievering  
OES - Mr. Kratzer  
OES - Mr. Hoyle  
OMB - Mr. Kearney  
ERDA - Dr. Friedman  
S/P - Mr. Kahan  
ACDA - Dr. Wolfowitz  
ACDA - Mr. Boright  
P/M - Mr. Oplinger  
NSC - Dr. Elliott

WH - Mr. Connor  
EB - Mr. Bosworth  
L - Mr. Bettauer



SAFEGUARDS AND NON-PROLIFERATION IMPLICATIONS OF PROPOSAL  
TO HAVE NEXT ENRICHMENT PLANTS BUILT BY PRIVATE INDUSTRY

This paper attempts to review the safeguard and non-proliferation aspects of the Administration's proposal to have the next major increment of U.S. enrichment capacity, financed, constructed and operated by U.S. private industry. In this regard the following principal questions are addressed:

- (a) Will the proposal significantly add in any way to the risks that the enriched uranium produced by the proposed new plants will fall into unauthorized hands in the U.S.?
- (b) Is the proposal likely to compromise in any significant way the rigorous classification and related constraints that now apply to sensitive U.S. enrichment technology?
- (c) Is the proposal likely to contribute in any way to the problem of international proliferation by encouraging the spread of U.S. or other enrichment technologies around the world?

To place these questions in perspective it should be noted that the Government has, for approximately 30



years, relied on private contractors to operate the three U.S. diffusion plants. At the present time sensitive technology involved in the U.S. gaseous diffusion plants and centrifuge facilities is classified as Restricted Data and the facilities themselves are subjected to government requirements for physical security protection, nuclear materials accountability as well as governmental inspection and inventory verification. There are severe criminal penalties for anyone who discloses U.S. Restricted Data to an unauthorized person. Also, pursuant to the Atomic Energy Act, special nuclear material (including enriched uranium) only may be distributed domestically to authorized persons and only may be distributed abroad pursuant to inter-governmental agreements for cooperation containing suitable assurances against military use. Additionally, no U.S. Restricted Data, including that pertaining to enrichment, may be transferred to another country, unless the transfer occurs pursuant an appropriate agreement for cooperation, which would be subject to Congressional review. With the exception an early arrangement with the United Kingdom, which was terminated several years ago, the U.S. has not transferred any classified enrichment technology to any other nation. In general the other countries engaged in major enrichment projects (including France, U.K., the USSR, the FRG, Netherlands, South Africa and the PRC) have also kept



their programs highly classified. The German jet nozzle process which may be made available by the FRG to Brazil is, however, not classified. With these factors in mind the following paragraphs address the principal questions noted above.

Disposition of the Plant Products

The proposed program favoring private installation is not expected to reduce in any way the various constraints that now govern the distribution of enriched uranium domestically as well as overseas. Indeed, since 1954, the U.S. has operated under a regime of private ownership of nuclear power reactors, as well as fuel fabrication and chemical reprocessing plants. Private ownership of enriched uranium and plutonium also have been permitted for over ten years. The proposition of having the next enrichment plants operated by the private sector therefore should not introduce any inherently new risks into the picture, and the enriched uranium produced by these plants will be subjected to the full range of U.S. domestic and export regulations.

Only authorized persons will be enabled to possess such materials and exports only will take place pursuant to an inter-governmental agreement for cooperation, as well as an approved export license. Such a license is issued only after a thorough review of all relevant implications and following a determination that the export would not be inimical to the interests of the U.S.



Our agreements for cooperation governing the export of enriched uranium call for the application of international safeguards on the materials transferred as well as all generations of plutonium produced therefrom. These controls are designed to detect and thus deter any diversions to military uses. Comprehensive U.S. bilateral safeguards come into effect if the international safeguards terminate for any reason. Moreover, quantitative limitations are placed in these agreements on the total amount of enriched uranium that may be transferred to a cooperating country and fuel is exported only when it is needed in a defined peaceful project. Moreover, the U.S. has various ancillary rights designed to reinforce the safeguards and guarantee provisions. These include opportunities to actively participate in the decision as to where the transferred fuel might be reprocessed. All of these constraints which now govern the exports of Government produced enriched uranium would apply with equal force to the products of the proposed new private enrichment plants.

It also should be noted that the UEA plant will be designed to produce only the low enriched uranium that is needed for most U.S.-type nuclear power reactors. Moreover, since the Government would continue to control all exports, UEA would consult at an early stage with the Government to verify the acceptability of any prospective foreign investor



wishing to obtain access to its product.

The principal responsibility for assuring that adequate safeguards and physical protective measures will apply to the proposed new private plants will fall on the Nuclear Regulatory Commission. NRC intends to proceed promptly with the development of the necessary safeguards and associated protective measures; these may have a bearing on the optimal design of the plant and may figure in the initial licensing actions. Since several years will be required to construct the facility NRC will benefit from any further advances that are made in safeguard techniques, including the experience acquired by the International Atomic Energy Agency in this area.

With regard to the IAEA the question arises as to whether the UEA plant and the proposed follow-on gas centrifuge facilities will now fall under the terms of the U.S. Presidential offer to place the entire U.S. nuclear program under IAEA safeguards excluding only those activities having a "direct national security significance." This is an issue that the U.S. Government would propose to address at such time as the proposed new facilities near completion. If it appears at that time that the subject facilities meet the test of the U.S. offer then we would be prepared to have them





subjected to IAEA safeguards. If, however, these enrichment facilities are judged at that time to have direct national security significance they will not be incorporated under the scope of the offer.

Will Current Classification and Related Constraints on U.S. Gaseous Diffusion Technology and U.S. Gas Centrifuge Technology be Eroded by "Privatization?"

The Government will continue to require the classification and security protection of that aspect of gaseous diffusion and gas centrifuge technology which is judged to be sensitive and necessary to protect for national security purposes. In general, and because of non-proliferation considerations centrifuge technology is considered to be more sensitive than the gaseous diffusion process.

With the increase in the number of enrichment plants in the United States it is anticipated that a greater number of appropriately cleared U.S. citizens will have access to enrichment technology. The principal factor occasioning this increase will be the expansion in our capacity and scale up of the centrifuge, rather than the proposal to move to private ownership, per se. Had the Government elected to install the capacity itself it, too would have had, to rely on private contractors to design, build and operate the plants. Every effort, however, will continue to be made to restrict the dissemination of sensitive



design parameters, components (seals and compressors) and manufacturing processes. Moreover, the concept of "need to know" will continue to apply to such access. ERDA is now performing a classification review of the U.S. gaseous diffusion process to determine if any declassifications can be made which would assist in the production and procurement of components, and the construction of an enrichment plant. Much useful data, enabling prospective investors to meaningfully assess the economics and efficiency of the U.S. gaseous diffusion process, already has been declassified.

Is Private Enrichment Likely to Contribute to the Spread of the Nuclear Enrichment Technology Around the World?

On the whole we believe that a U.S. move to now place new capacity promptly in place will deter the installation of additional foreign capacity and foster our non-proliferation objectives, including the acceptance of safeguards.

Although the transfer to the private sector can be expected to build up a private equity in U.S. enrichment technology and possibly some incentive for foreign ties, no widespread dissemination of U.S. information to other nations is foreseen at this time. As noted, sensitive enrichment technology will remain classified and prospective



foreign investors will not have access to such classified information. Moreover, the export constraints and controls as now apply to Government-generated information will apply to information and technology advancements generated by UEA and other elements of the private sector. We can expect prospective private enrichers to be fairly sensitive on their own about protecting their technological leadership and proprietary information in this field.

Any proposed sharing of technology with other countries would have to be taken up as a separate matter and would necessarily involve affirmative Governmental approvals of the necessary arrangements. In this regard, within the context of the activities of the International Energy Agency, the United States has expressed a willingness to explore cooperation in either the gaseous diffusion or gas centrifuge fields. We have made it clear, however, that in the first instances, we would expect any such proposals on the U.S. side to be developed for U.S. governmental review by those U.S. companies seriously intending to become U.S. enrichers. Thereafter, any such proposals would have to be carefully evaluated by the Government taking into account various explicitly stated criteria, including compatibility of the arrangements with surety of supply for the U.S. domestic market

and with U.S. national security interests. At this stage the specific character of any cooperative arrangements that might so develop is not known. However, the recent decision favoring "the introduction of private industry" is not expected to alter the picture since (a) all proposals for technology sharing will be subjected to a very intensive review and (b) the current IEA ground rules were, in fact, developed with advent of U.S. private ownership much in mind.

Overall Conclusions

Overall, this paper concludes that the Administration's proposal to have the next increments of U.S. enrichment capacity privately built will not have any adverse effects on U.S. responsibilities for safeguarding either the products of these plants or sensitive technology. While vigorous efforts in sustaining prudent controls will be necessary in the future, these will be dictated primarily by the growth in the industry and technological advances, rather than the mode of facility ownership.



NRC REGULATORY REVIEW

NUCLEAR REGULATORY COMMISSION (NRC)  
REGULATORY REVIEW

- . Private uranium enrichment plants must, under current law, have a construction permit and an operating license granted by the NRC.
- . Within the NRC:
  - The matter of licensing private enrichment plants has been reviewed by the staff and discussed with the Commission. (See attached paper.)
  - A task force has been organized to maintain a continuing focus on problems that might come up and on identifying ways on making the NRC reviewing process faster and more efficient.
- . The NRC Commissioners apparently are being kept informed of the problems and are anxious to deal expeditiously with permit and license applications.
- . A tentative schedule for the permit and license reviews appears at the end of the attached paper.



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*BH*

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

POLICY SESSION ITEM

June 19, 1975

SECY-7 <sup>11289</sup>

*Recommendation accepted*

*Top priority project - work to insure efficient + sufficient licensing process -*

*Keep Commission informed on regular basis*

*Bring problem to Commission ASAP*

*Make sure supports are alerted to potential problem in time to initiate alternative action*

*Work toward use of justified ICR &*

*look for ways to make process more efficient (quicker)*

To: The Commissioners

Subject: LICENSING OF PRIVATE ENRICHMENT PLANTS

Purpose: To request Commission approval of the staff's action plan in anticipation of an application for the construction of a privately-owned enrichment facility.

Category: This paper covers a minor policy question.

Issue: Whether the Commission should approve staff preparations for receipt of uranium enrichment application.

Discussion: The staff is aware of the presidential decision to support, through ERDA, the Uranium Enrichment Associates' (UEA) plan to construct a privately-owned gaseous diffusion uranium enrichment facility.

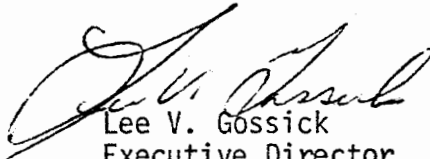
In anticipation of the receipt of a license application from UEA, the staff has examined its current position in regard to licensing gaseous diffusion facilities and has identified potential problems related to these licensing actions. It is planned to receive and process any application for an enrichment facility received in the near future under the provisions of our current rule, 10 CFR Part 50. The staff's status paper is attached as Enclosure "A".

In addition, the staff has developed an action plan that identifies the organization requirements, working arrangements, and procedural steps that should be taken prior to the receipt of an application. Enrichment facilities have not been licensed in the past and, therefore, there are some uncertainties in the review process and certain unique problems to be solved. The objective of initiating the action plan



is to assure an expeditious and adequate review once an application is received. The action plan is given in Enclosure "B" to this paper.

Recommendation: Commission approval of the action plan is requested.

  
Lee V. Gossick  
Executive Director  
for Operations

Enclosures:

1. Staff's status paper - Enclosure "A"
2. Action plan - Enclosure "B"

Contact:

R. E. Cunningham  
Telephone: 492-7453





LICENSING OF URANIUM ENRICHMENT FACILITIES

This paper presents the current position of the staff in regard to licensing gaseous diffusion uranium enrichment facilities and identifies and discusses potential problems related to future licensing actions.

Enclosure "A"



LICENSING OF URANIUM ENRICHMENT FACILITIES

SUMMARY STATUS

1. Present Status.

a) Applications for gaseous diffusion enrichment facilities can be received and processed to final licensing action under the existing rule, 10 CFR Part 50.

*late meet  
includes LWA  
at this time*

b) Guides have been published outlining the format and content of safety, environmental and safeguards information to be contained in applications.

c) A proposed rule, 10 CFR Part 52, which applies specifically to gaseous diffusion facilities, is being prepared by the staff. The rule must be completed, approved by the Commission and be published for public comment prior to adoption and these actions will not be completed in the near future.

*Noted 6-73*

Until the new rule is effective, applications for enrichment facilities can be processed under 10 CFR Part 50.

*Early to mid '76  
- includes LWA*

2. Potential Problems.

a) The limited work authorization (LWA) in the current rule, 10 CFR Part 50, applies to power reactors and may not apply to enrichment facilities. A limited work authorization could reduce the overall time for plant construction by about six months. If a need for a LWA were demonstrated, and if NRC decided to change its rules to specifically



permit LWA for enrichment, the proposed change to 10 CFR Part 50 would have to be published for comment before final adoption of the change.

A LWA provision will be incorporated into the proposed new 10 CFR Part 52.

- b) It would be advantageous to the owner to begin operation of an enrichment facility in an incremental manner as groups of production units are completed. Under the Act, this can be accomplished only by amendments to the operating license issued for the first increment. This will impose a heavy load on both the owner and staff and expose the owner to the potential of multiple public hearings. A change in the Act would be required to correct this problem, and there is ample time in the future to request legislative relief.
- c) Much of the technical information relating to uranium enrichment is classified. Classification restrictions will impact on the design, construction and staff review of enrichment facilities. Public proceedings related to licensing will be complicated by classification, although 10 CFR Part 2 presently contains special provisions for such proceedings.
- d) The antitrust review may be complicated particularly if the number of participants in the private enrichment business is limited. Time requirements for the antitrust review



could become a restraint on the issuance of a construction permit.

- e) An organization which is owned, controlled or dominated by a foreign interest cannot (under the Atomic Energy Act) receive a license for an enrichment facility. Our action on applications for licenses from organizations with substantial foreign support may be complicated or precluded unless the organization can clearly show that it is not owned, controlled or otherwise dominated by foreign interests. The terms "controlled" and "dominated" are not defined in the Act or our rules.

If an enrichment facility is supported in part by foreign interests, it might be concluded that our approval of the construction and operation of such a facility implies approval for the export of product. This is clearly not the intent of our rules. Approval of exports would be separate and distinct licensing actions.

- f) Electrical Power Requirements.

A commercial scale gaseous diffusion facility will require about 2,200 megawatts of power. The power will probably be obtained from nuclear power reactors dedicated to the enrichment facility. Construction of the reactors may



be on the critical path for overall completion and start up of the enrichment facility.

The environmental impact of both the power reactors and enrichment facility must be considered together. The major environmental impact may be the release of the total thermal power of two reactors in a relatively small area.



## DISCUSSION

### LICENSING OF URANIUM ENRICHMENT FACILITIES

#### 1. Present Status.

The enriching of uranium for reactor fuel is the only remaining activity of the nuclear fuel cycle performed solely by the Government. However, in March 1972, the AEC, in accordance with Administration policy, announced that the private sector should be given full encouragement to engage in providing commercial enriching plants to be needed in the early 1980's and beyond. In recognition of the AEC's established policy to encourage the private sector to supply future commercial uranium enrichment plants, in July 1973 the AEC's Regulatory staff instituted a program to develop guidance for potential uranium enrichment facility licensees. Under this program the staff has prepared and published guides for the use of applicants outlining the standard format and content of safety analyses, environmental reports, and special nuclear material control and accounting submittals to be included in license applications for uranium enrichment facilities, and a listing of information required by the Department of Justice for antitrust review. In addition, the staff is preparing a new regulation specific to licensing uranium enrichment facilities. At present, the Commission's rules for the licensing of production facilities



are contained mainly in 10 CFR Part 50. While the rules in 10 CFR Part 50 could be applied as they are to the licensing of uranium isotope enrichment facilities, they were, in fact, developed over a number of years to apply mainly to nuclear reactors and spent fuel reprocessing plants, and because of the differences in technological requirements, are not well designed or suited for enrichment plants. The new regulations will recognize the lesser potential hazards of enrichment facilities as compared with reactors or reprocessing plants and the differences in technological requirements. Technical criteria, such as design criteria and operator licensing requirements, specific to uranium enrichment facilities have been developed and will be included in the proposed rule. The procedural requirements for review of applications and for making licensing decisions included in the proposed rule are basically the same as those now in 10 CFR Part 50. The staff is nearing completion on its work on the new rule.

Applications for gaseous diffusion facilities can be received now and processed to completion under the existing rule, 10 CFR Part 50. The main disadvantage of licensing enrichment facilities under 10 CFR Part 50 rather than a new Part is that Part 50 does not contain specific technical criteria for enrichment plants. The rule does, however, contain sufficient



flexibility in its requirements for the staff to act on an enrichment application. Technical criteria, therefor would be established by the staff on an ad hoc basis.

2. Potential Problems.

Several potential problems have become apparent from our discussions with industry representatives of their enrichment plans and programs. The potential problems involve limited work authorization, incremental plant start up, information classification, antitrust review, foreign ownership and electrical power requirements.

a) Limited Work Authorization.

A limited work authorization (LWA) would reduce the total time required from submission of an application to start up of an enrichment facility by about six months, and is of considerable financial interest to potential facility owners. The limited work authorization provision in 10 CFR Part 50 is specific to power reactors and may not apply to uranium enrichment facilities. If a need for a LWA were demonstrated and if NRC decided to amend its rules to permit a LWA, the change would have to be published for public comment before it could be adopted.

The LWA provision will be incorporated into the proposed new rule, 10 CFR Part 52.

b) Incremental Plant Start Up.

Because of the large number of individual production units





in an enrichment facility, it would be economically advantageous for the owners to begin operation of the facility incrementally as groups of production units are completed. Several potential licensees have asked whether such incremental start up of a facility would be allowed under our rules.

The ELD opinion on this matter is that start up of the first stage after its construction has been completed constitutes "operation" of the facility for which the Atomic Energy Act requires an operating license. ELD also believes that start up of each additional stage would require an amendment to the original license. Thus, prior to any Commission issuance of an operating license or an amendment to an operating license for the enrichment facility to any person licensed to construct such a facility, the Commission must afford an opportunity for hearing to any member of the public whose interest may be affected.

Under the existing provisions of the Atomic Energy Act and the Commission's regulations, a procedure similar to that of incremental start up could be implemented if an applicant were to initially supply all of the information pertaining to the final design of the enrichment facility in a combined application for a facility construction permit and operating



license. Then the mandatory public hearing required by the Atomic Energy Act prior to issuance of a construction permit could consider in a single hearing all of the environmental and safety-related issues as they pertain to the final design and operation of the facility. After issuance of a construction permit and upon completion of construction of the first stage of the facility, the licensee could apply for an operating license for the first stage of the facility. As construction of subsequent stages of the enrichment facility was completed, the licensee could apply for an amendment to his operating license to authorize increased capacity of the facility. In this situation any person whose interest may be affected by issuance of the operating license or subsequent amendments thereto could request and be afforded a public hearing under the provisions of the Atomic Energy Act prior to issuance of an OL or any amendment thereto which would increase the capacity of the facility. However, if the licensee had made no changes in the design of the facility, the issues at such hearings could probably be confined to whether the facility authorized has been constructed and will operate in conformity with the application, the Atomic Energy Act, and the Commission's rules and regulations.



The multiple licensing actions that will be necessary under the Act will impose a heavy burden on both the staff and applicant without a corresponding increase in the protection afforded public health and safety or environmental values. Consideration should be given in the future to obtaining legislative changes which would permit issuance of one operating license for the ultimate planned production rate when the first increment of production capacity is ready to start up. There is ample time to obtain legislative relief, because the first privately-owned enrichment plant will not start up before the early 1980's.

c) Information Classification.

Classification of technical information relating to gaseous diffusion enrichment technology presents problems to the designers, constructors and owners of enrichment facilities. In addition, the fact that certain technical information is classified may impact on the staff's review procedures, particularly with respect to public hearings, even though 10 CFR Part 2 presently contains special provision for such proceedings.

ERDA has an ongoing program to review the classification level of information related to uranium enrichment and some progress has been made in declassifying gaseous diffusion technology. Information classification will, however,



complicate the design, construction and licensing efforts related to enrichment facilities. Active efforts should be made by NRC to obtain the prompt declassification of as much of the information as is practicable.

d) Antitrust Review.

The antitrust reviews may be complicated given the different number of participants who may enter the enrichment business and the different technologies that may be employed. Much more detailed information on both the industry and individual participants must be known before accurate assessment of the antitrust problems can be made. For a particular applicant, time requirements for the antitrust review could become a restraint on the issuance of a construction permit unless the antitrust information was submitted well in advance of the remainder of the application.

*most of the review  
is done by Dept  
of Justice*

e) Foreign Ownership.

Both our rules and the Act prohibit an organization which is owned, controlled or dominated by an alien, a foreign corporation or a foreign government from obtaining a license for a production or utilization facility except for a license authorizing export only pursuant to an agreement for cooperation.



Our action on applications for licenses from organizations with substantial foreign support may be complicated unless the organization can clearly demonstrate that it is not owned, controlled, or otherwise dominated by foreign interests.

If an enrichment facility is supported in part by foreign interests, it might be concluded that our approval of the construction and operation of such a facility implies approval for the export of product. This is clearly not the intent of our rules. Approval of exports would be separate and distinct licensing actions.

*eg US take the  
\$ how much for the  
plant but want  
export him the  
product!*

f) Electrical Power Requirements.

A commercial scale gaseous diffusion facility will require about 2,200 megawatts of power. The power will probably be obtained from nuclear power reactors dedicated to the enrichment facility. Construction of the reactors may be on the critical path for overall completion and start up of the enrichment facility.

The environmental impact of both the power reactors and enrichment facility must be considered together. The major environmental impact may be the release of the total thermal power of two reactors in a relatively small area.

*foreign ownership  
foreign sale  
product  
may stimulate  
interest  
involvement*



ACTION PLAN  
FOR  
URANIUM ENRICHMENT LICENSING ACTION

The review and processing of an application for a uranium enrichment facility represents a "first-of-a-kind" for the NRC staff with attendant uncertainties and unique problems, including the fact that the technology is largely classified. Based on previous staff studies in this area, time estimates have been made as shown in the accompanying review plans. In order to assure the proper depth and scope of review and to meet the timing needs of the applicant, the following action plan has been developed to identify organizational requirements, working arrangements and procedural steps that should be taken prior to the receipt of an application.

The action plan is based on certain assumptions concerning the UEA application and NRC procedures. These assumptions are shown on Page 1 of the plan. Two organizational units would be involved in the action plan. The first is a management overview committee; the second, a task force responsible for carrying out the detailed action plan. The structure of these units and their responsibilities are given on Pages 2 and 3 of the plan. Details of the actions to be taken are listed on Page 4 of the plan.



ACTION PLAN  
FOR  
URANIUM ENRICHMENT LICENSING ACTION

Assumptions

This action plan is based on the following assumptions:

1. The application will be for a gaseous diffusion enrichment facility.
2. Licensing decisions will be taken under the provisions of the current rule, 10 CFR Part 50. \*
3. Financial arrangements supporting, and foreign interests in, the UEA organization will be acceptable to the Congress, the Department of Justice and NRC.
4. A clearly defined priority applicable to all organizational groups in NRC will be established.

*\* LWA would reduce  $\approx$  6mo - probably can be justified*



Management Overview Committee

A management overview committee with the following membership and responsibilities will be established:

1. Membership.
  - a) Office of Nuclear Material Safety and Safeguards (Chair).
  - b) Office of the Executive Director for Operations.
  - c) Office of the Executive Legal Director.
  - d) Office of Nuclear Reactor Regulation.
2. Responsibilities.
  - a) Give overall guidance to the Task Force.
  - b) Support and expedite the work of the Task Force.
  - c) Interface between the Task Force, NRC and other Government organizations.
  - d) Review the progress of the Task Force.
  - e) Advise the Commission of activities, progress and problems within ex parte limitations.\*

\* Policy Evaluation (Huberman) will be focal point for Commission support





## Task Force

A Task Force with the following membership and responsibilities will be established:

### 1. Membership.

- a) Project Manager and Assistant Project Manager -  
Division of Materials and Fuel Cycle Facility Licensing.
- b) Environmental Review Specialist - Division of Materials  
and Fuel Cycle Facility Licensing.
- c) Antitrust Specialist - Office of Nuclear Reactor  
Regulation.
- d) Nuclear Reactor Specialist - Office of Nuclear Reactor  
Regulation.
- e) Legal Specialist - Office of the Executive Legal  
Director.
- f) A consultant expert in enrichment technology.

### 2. Responsibilities.

- a) Carry out the detailed actions required by the Action  
Plan.
- b) Identify and propose solutions for problems that arise  
as the Action Plan is followed.
- c) Propose modifications and improvements to the Action  
Plan.
- d) Report progress to the Management Overview Committee.



## Required Actions

The Task Force will take or initiate the following actions:

- a) Identify technical assistance needs in the safety and environmental review areas and arrange with the National Laboratories and others to provide the assistance.
  - b) Establish working arrangements with UEA to facilitate communication between the groups on a day-to-day basis.
  - c) Meet with UEA to discuss in detail their plans and schedules for submitting information to NRC and our plan for the licensing review of their submittals.
  - d) Work with UEA, the Department of Justice and antitrust groups to obtain early submittal and expedited review of antitrust and foreign ownership information.
  - e) Work with UEA to obtain the early submittal and expedited review of an environmental report. Consider a change to 10 CFR Part 50 to grant limited work authorization to enrichment facilities.
  - f) Arrange to send the project manager, assistant project manager and selected staff members to Oak Ridge for training in design and operation of gaseous diffusion facilities.
- ~~X~~ Initiate steps to have gaseous diffusion information



promptly declassified to the extent practicable.

- h) Establish a review team to give ERDA prompt responses to programmatic environmental statements on enrichment technology.
- i) Resolve any conflict of interest concerns related to National Laboratory participation or the use of other organizations in the review procedure.
- j) Obtain, through agreement with ERDA, free and unlimited access for the Task Force and review personnel to gaseous diffusion enrichment technology. *not needed*
- k) Evaluate approaches to compress the project review schedule.
- l) Identify and evaluate any safeguards or accountability problems related to the enrichment facility.



Uranium Enrichment Facility Construction Permit Review Plan

*Why not 12 mo?*

End Public Issue  
Hearings + C.P.

Start Public Hearing

ACRS Review Complete

Safety Evaluation Report Complete

Staff Safety Review

Application Docketed

Receive Tendered Application

*Wall - Lusk  
with memo below*

Issue Final Environmental Impact Statement

Issue Draft Environmental Statement

Safety Review

Staff Environmental Review

Environmental Review

Material and Plant Protection Review

End Antitrust Review

End NPP Review

Justice Department and NRC Antitrust Review

Antitrust Review

Antitrust Review

Antitrust Review

Antitrust Review

End Antitrust Review

End NPP Review

Justice Department and NRC Antitrust Review

Antitrust Review

Antitrust Review

Antitrust Review

Antitrust Review

End Antitrust Review

End NPP Review

Justice Department and NRC Antitrust Review

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Justice Department and NRC Antitrust Review

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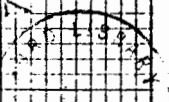
Notes:

1. This schedule is based on the following assumptions:
  - a) The tendered application is acceptable for docketing without major change.
  - b) Funds are available for technical assistance in the safety and environmental reviews.
  - c) Antitrust information is submitted before the remainder of the application.
  - d) The public hearing lasts no more than 2 months.
2. The review times given are the staff's best estimates; however, the staff has no prior experience in licensing enrichment facilities.

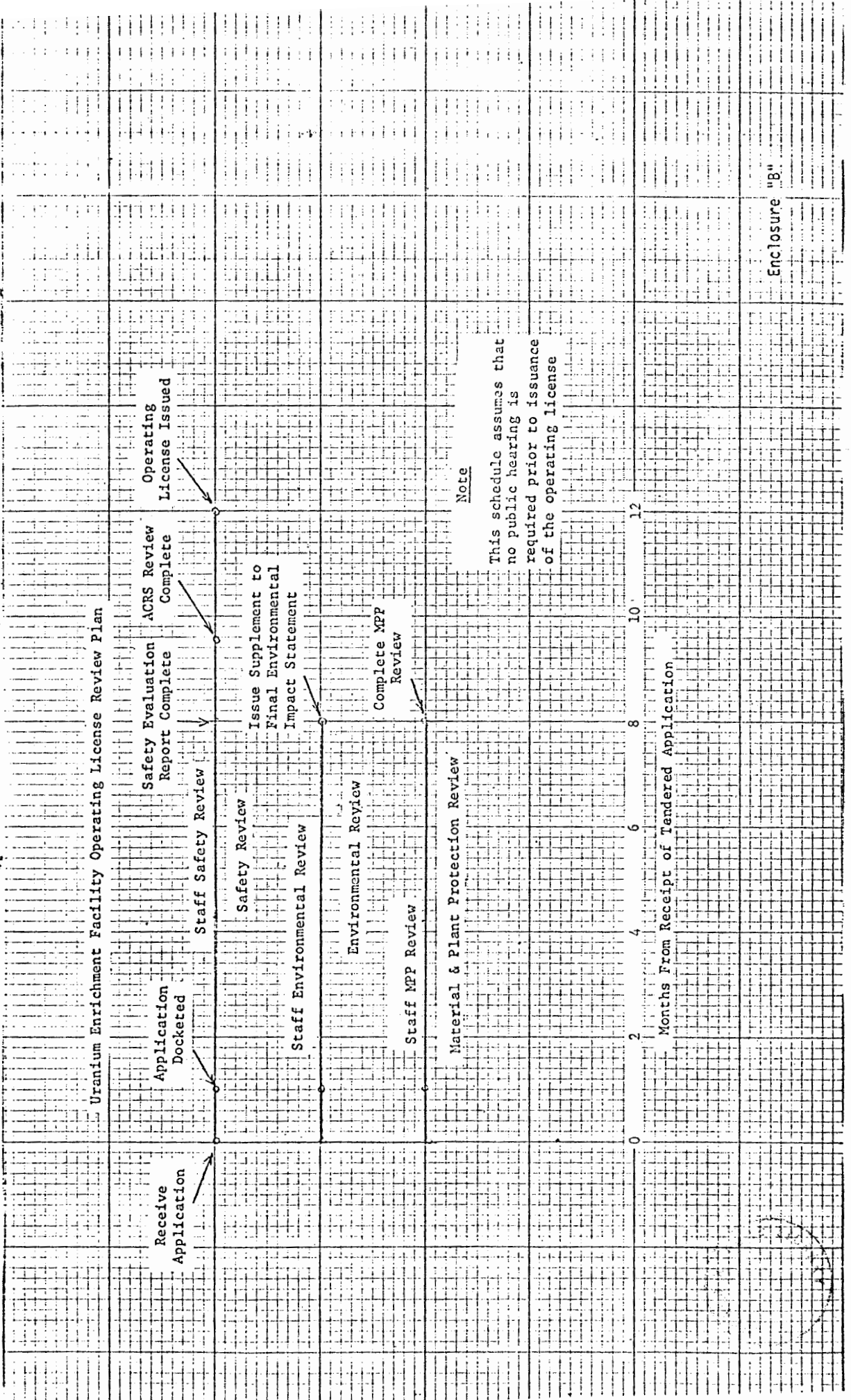
Months From Receipt of Tendered Application

0 2 4 6 8 10 12 14

*12/15*



Enclosure "B"



Enclosure "B"

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Secretary	5
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General Counsel	2
Exec Legal Director	2
Administration	3
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Nuclear Material Safety & Safeguards	2
Mats & Fuel Cycle Facility Licensing	2

**OFFICIAL USE ONLY**



ERDA ENVIRONMENTAL  
IMPACT STATEMENT

ERDA'S ENVIRONMENTAL IMPACT  
STATEMENT COVERING THE EXPANSION  
OF URANIUM ENRICHMENT CAPACITY

- . ERDA is preparing an impact statement covering its actions with respect to the expansion of U.S. uranium enrichment capacity.
- . The schedule for preparation and completion of the impact statement is attached.





ENVIRONMENTAL IMPACT STATEMENT SCHEDULE  
FOR EXPANSION OF U.S. URANIUM ENRICHMENT CAPACITY

1. Distribution to ERDA staff for comments on June 18.
2. Staff comments are due on June 20, at noon.
3. Copies will be sent to ERDA management on June 23, by noon.
4. Copies will be sent to OMB on June 25.
5. Five copies will be sent to CEQ and two to Congress between June 26-30.
6. Copies will be printed and distributed to the public one to two weeks from June 30. (No later than July 14.)
7. The draft statement must be made available to the public for a comment period of at least 45 days. Closing date for comment approximately September 2.
8. If there is no hearing, a final statement might be completed in at least two-four weeks after the 45 day waiting period, i.e., approximately October 1.
9. If there is a hearing, approximately three months will be added, i.e., approximately January 1, for issuance of final statement.
10. Under CEQ Guidelines, no administrative action should be taken sooner than 90 days after a draft statement has been circulated for comment; neither should such administrative action be taken sooner than 30 days after the final text of a statement has been made available.

Efforts will be made to save time by ERDA's reproducing the 500-page draft and final statements rather than through normal printing procedures, thereby saving approximately 10 days before the distribution of the draft and final statements to the public.

As permitted by CEQ's Guidelines, ERDA will consult with CEQ regarding modifications of the minimum periods for public comment and for the waiting period before final action may be taken after



distribution of the final statement. Appropriate modifications of these periods would depend upon the particular circumstances involved, overriding considerations of expense to the Government, or impaired program effectiveness. Of course, the waiting periods may not be reduced to the extent that the environmental statement process becomes meaningless.



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IMPACT STATEMENT

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distribution of the final statement. Appropriate modifications of these periods would depend upon the particular circumstances involved, overriding considerations of expense to the Government, or impaired program effectiveness. Of course, the waiting periods may not be reduced to the extent that the environmental statement process becomes meaningless.





DRAFT:6/18/75  
JLSchwennesen

Gentlemen:

REQUEST FOR PROPOSAL FOR CENTRIFUGE ENRICHMENT PROJECTS

The U.S. Energy Research and Development Administration (ERDA) hereby requests proposals for the design, construction, ownership and operation of Centrifuge Enrichment Projects (CEP's). This request supersedes and replaces the RFP for Demonstration Centrifuge Enrichment Facilities issued August 23, 1974. Several objectives of this program are:

1. To provide additional enriching capacity to meet the expanding requirement for enriching services of the world nuclear power industry.
2. To move toward the national goal of achieving an adequately competitive, private uranium enrichment industry in the United States on a timely basis.
3. To achieve the development during the early to mid-1980's of competitive private sector centrifuge enriching and centrifuge manufacturing industries, so that the centrifuge process can be utilized economically and competitively thereafter in the expansion of private enriching capacity.
4. To foster the development of business relationships between private enrichment suppliers, private centrifuge manufacturers, and domestic and foreign enriching services customers.





It is ERDA's intention that the selected proposers will design, construct, own and operate a CEP of sufficient size to demonstrate the technical and economic viability of centrifuge enrichment and facilitate subsequent privately financed expansion of capacity to assist in meeting the expanding requirement for enrichment services of the world nuclear power industry.

While it is expected that industry will make its own projections of the future demand for enriching services, ERDA will, upon request provide its estimates of the future demand for enriching services.

ERDA recognizes that the design, construction, ownership and operation of a CEP by private industry will require some Government assistance. Proposals should indicate the amount and types of Government assistance requested and the amount and degree of financial risk assumed by the proposer. Proposals should also reflect the extent of any foreign investment (debt or equity) as well as any customer support to the CEP, both of which ERDA considers desirable.

It is ERDA's intention to enter into negotiations for contracts using the written proposals as a basis therefor, with the proposers considered by ERDA to be the ones that can best meet the objectives of this program at minimum cost to the Government. The proposal reflecting lowest potential cost to the Government will not necessarily be selected. Selection will be based on a thorough evaluation of written proposals supplemented to the extent considered necessary by ERDA through personal conferences, in which all pertinent factors such as previous experience in similar work, organization, availability of qualified personnel, overall ability to complete the CEP in a timely fashion, and cost data will be taken into account.

Attachment I, enclosed for your use in evaluating the project and for your guidance in preparing a written proposal, is a Proposal Data Sheet which sets forth the scope of the project, and the selection criteria. Also enclosed is Attachment II which describes information to be included in the proposals.

This Request for Proposals (RFP) does not commit the Government to contract with any party or to pay any costs incurred in connection with preparing and submitting any proposal. ERDA reserves the right without qualification: to accept or reject any or all proposals; to negotiate with any and all proposers regardless of the terms of the original proposal; to request additional clarifying information; to consider proposals, or modifications thereto, received after the date indicated for such purpose should such action be in the best interest of the Government; and to issue an invitation for new proposals. All copies of proposals from other than the companies ultimately selected for these



projects, except one record copy, will be destroyed after execution of contracts with such proposers. Proposals will be accepted solely as the bases for negotiation of contracts to be executed after receipt by ERDA of necessary legislative authority. Proposals must be submitted to ERDA by October 1, 1975. Proposals should be submitted in 10 copies addressed to:

Mr. F. O. Christie, Chairman  
Gas Centrifuge Proposal Review Board  
U. S. Energy Research and Development Administration  
P. O. Box E  
Oak Ridge, Tennessee 37830

A pre-proposal conference will be held in connection with this RFP on August 5, 1975, to review the objectives of the program and to respond to questions posed by potential proposers in an effort to assist in the preparation of a proposal. The conference will be held at 10 a.m. E.D.T. in Room B-033, Federal Office Building, Oak Ridge, Tennessee. In addition to the proposal conference, we are prepared to hold individual classified discussions with prospective proposers to further discuss requirements of the CEP. Subsequent to such individual discussions a memorandum summarizing questions and answers considered in the discussions will be made available to all prospective proposers to assist in their preparation of a proposal.

We would appreciate receiving an acknowledgement of this letter at your earliest convenience with an indication as to whether you intend to submit a proposal. Inquiries relative to this RFP should be directed to F. O. Christie at telephone number 615-483-8611, extension 3-4451.

Sincerely,

F. O. Christie, Chairman  
Gas Centrifuge Proposal  
Review Board

Enclosures:

1. Att. I - Proposal Data Sheet
2. Att. II - Information to be included  
in proposals with Appendix A



PROPOSAL DATA SHEET

1. Purpose of Data Sheet

The Energy Research and Development Administration (ERDA) desires to contract for the project(s) described below. The purpose of this proposal data sheet is to inform prospective proposers of the nature and scope of the project and to permit their proper evaluation of the project and the subsequent preparation and submission of appropriate proposals.

2. General Description

This RFP envisions proposals for the design, ownership, construction and operation, with Government assistance, of Centrifuge Enrichment Projects, each with nominal capacity in the range of 1 million to 3 million SWU per year. The CEP (including installation of all centrifuges) should be completed by the early to mid 1980's.

The Government assistance for the design, construction and operation of the CEP may be in various forms including the following:

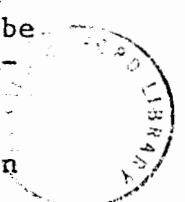
- a. assistance of a financial character;
- b. assurance of the availability of enrichment services to customer(s) of the CEP in the event that actual output of the CEP is insufficient to meet the supplier's enriched uranium delivery commitments;
- c. other forms of Government assistance considered essential by the proposer to assure that the CEP is brought to fruition.

If guarantees regarding technology or facility performance are sought from the Government for the proposed CEP, the proposer should anticipate that Government approvals will be required for process, engineering and construction features of the project.

3. Selection of Proposals

ERDA anticipates that it will be able to support only a limited number of CEP's. Acceptance of proposals for negotiation will be based on thorough evaluation of the proposals that meet the prerequisites against the criteria set forth below.

- a. Prerequisites to Selection. - Demonstrate to the satisfaction of ERDA that:



1. The proposer (and the centrifuge supplier, if a subcontractor) is a company or joint venture organization which is U.S.-owned and controlled.
2. The proposer is willing to accept in principle ERDA contracting regulations and principles in connection with the ERDA/proposer contract.
3. The proposer will provide equal employment opportunity; and
4. The proposer (and the centrifuge supplier, if a subcontractor) has the potential financial resources to accomplish the proposed undertaking.

b. Selection Criteria

All proposers deemed to have satisfied the Prerequisites to Selection will be evaluated against criteria hereinafter discussed.

1. Background and experience in the area of the gas centrifuge enrichment technology and key personnel to be assigned to the CEP. (note)
2. Experience and competence in management (both technical and administrative) of the construction and operation of a facility, or facilities, comparable in size and complexity to the proposed CEP and/or needed centrifuge manufacturing facilities (note)
3. Types, amount, timing and duration of assistance requested of the Government.
4. Amount of and degree of financial risk to be assumed by the proposer.
5. Understanding of the scope of work and soundness of approach to the design, construction and operation of a centrifuge enrichment plant by the early to mid 1980's as evidenced by the proposal. (note)
6. The degree to which the development of a competitive private centrifuge manufacturing industry is fostered.
7. Organization structure for management and operation of the CEP; the relationship of the CEP management to the parent organization, if any; and the degree of involvement of the senior management of parent organizations, if any. (note)



NOTE:

If the proposer intends to purchase rather than manufacture the centrifuge machines the supplier will be included in the evaluation.

Criteria items (1) through (6) are considered of primary importance and are essentially equal. Criteria item (7) is less important.



INFORMATION TO BE INCLUDED IN PROPOSALS

1. General

Since your proposal will have a major impact on our determination regarding the capability of your organization to participate in the project, it should be specific and complete in every detail. The proposal should be practical and should be prepared simply and economically, providing straight-forward, concise delineation of capabilities to satisfactorily complete the project.

To aid in the evaluation of the proposals, it is desired that all proposals follow the same general format. Your proposal shall at a minimum contain the information specified below in accordance with the following general format.

2. Format and Specific Content

a. Description of Project

- (1) General description of the proposed CEP, including plant design and size, operating characteristics, power sources, anticipated construction and operating milestones and schedules, planned centrifuge type and supplier, etc.
- (2) Estimated capital costs by years for the CEP and bases for estimates.
- (3) Estimates by years of production costs including estimates of cost per unit of separative work during the proposed period of Government assistance.
- (4) Details of source and application of funds by years for construction and operation during the proposed period of Government assistance. Details of basis for pricing project output during the proposed period of Government assistance.
- (5) Organizational details of the company or joint venture, including any foreign participants, having responsibility for conducting the project. Indicate the relationship of the CEP organization to the parent organization.

Statement regarding ownership and control of the company or joint venture organization, including appropriate supporting documentation.



Financial and statistical data adequate to permit an evaluation of the current or potential resources available to the proposer to accomplish the proposed undertaking.

- b. ERDA Assistance Requested - The types, amount and duration of assistance requested of ERDA.
  - c. Experience
    - (1) Centrifuge Experience - Furnish a summary of the background and experience of the proposer and participants in the area of gas centrifuge technology, including personnel qualifications of specific key personnel to be assigned to the project.
    - (2) Management Experience - Furnish a summary of the proposer and participants technical and administrative experience in the design, construction and operation of major, and complex facilities comparable to the proposed CEP and/or needed centrifuge manufacturing facilities.
  - d. Contractual Relationships - Existing or planned commitments between proposer and customers and between the proposer and any other parties, including foreign parties. Include information regarding specific customers and amounts of enriching services, and the terms and conditions under which proposer plans to provide such services. Also include details regarding support and responsibilities toward the project by customers and any other parties.
  - e. Contract Terms and Conditions - Statement regarding willingness to contract on basis of provisions required to be included by the Government under applicable laws and regulations, including provisions concerning patents and technological data consistent with those set forth in 10 CFR 25. In addition, proposer should complete the attached representations and certifications (Appendix A).
  - f. Regulatory and Antitrust - Assumptions with respect to the Nuclear Regulatory Commission review and licensing; your evaluation as to the probability that the proposed project will be viewed favorably by the Antitrust Division of the Department of Justice.
  - g. Other Information - As deemed relevant by the proposer in connection with the prerequisites to selection and selection criteria.
3. If the proposer intends to manufacture centrifuge machines for the CEP, information should be furnished for the manufacturing operation to permit evaluation of the proposer's experience and capabilities, and approach to the manufacture of centrifuges. If the proposer intends to purchase centrifuges information should be provided for the centrifuge manufacturer sufficient to permit evaluation of the manufacturer's technical, financial, and management competence.



4. Proprietary Information - Any proprietary information in the proposal should clearly be identified as such. All such proprietary information will be treated in confidence. ERDA reserves the right to make any proposal, including any proprietary information contained therein, available to personnel of ERDA, its contractors, consultants, or other Government agencies for the sole purpose of assisting the Board in its evaluation of proposals.





The Contractor represents and certifies that: (Check or complete all applicable boxes or blocks.)

1. CONTINGENT FEE

(a) He  has, has not , employed or retained any company or person (other than full-time, bona fide employee working solely for the offeror) to solicit or secure this contract, and (b) he  has, has not , paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the offeror) any fee, commission, percentage, or brokerage fee contingent upon or resulting from the award of this contract, and agrees to furnish information relating to (a) and (b) above, as requested by the Contracting Officer. (For interpretation of the representation, including the term "bona fide employee," see Code of Federal Regulations, Title 41, Subpart 1-1.5.)

2. EQUAL OPPORTUNITY

He  has, has not , participated in a previous contract or sub-contract subject either to the Equal Opportunity clause herein or the clause originally contained in section 301 of Executive Order No. 10925, or the clause contained in section 201 of Executive Order No. 11114; that he  has, has not , filed all required compliance reports; and that representations indicating submission by required compliance reports, signed by proposer subcontractors, will be obtained prior to subcontract awards. (The above representation need not be submitted in connection with contracts or subcontracts which are exempt from the clause.)

3. CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause.)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing area, parking lots, drinking fountains, recreation or entertainment area, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom or otherwise.

He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certification in his files; and that he will forward the following notice of such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

Notice of prospective subcontractors of requirements for certifications of nonsegregated facilities.

A certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually or annually). NOTE: The penalty for making false statements in offerors is prescribed in 18 U.S.C. 1001.

4. LISTING OF EMPLOYMENT OPENINGS

Bidders and offerors should note that this solicitation includes a provision requiring the listing of employment openings with the local office of the Federal-State employment service system where a contract award is for \$2,500 or more.

5. AFFIRMATIVE ACTION

The bidder or proposer has  has not  developed an affirmative action compliance program for each of its establishments (See 41 CFR 60-1.40 and 60-2).

If such a program has not been developed the bidder will complete the following:

The bidder does  does not  employ more than 50 employees and has  has not  been awarded a contract subject to Executive Order 11246 in the amount of \$50,000 or more since July 1, 1968. If such a contract has been awarded since July 1, 1968, give the date of such contract, but do not list contracts awarded within the last 120 days prior to the date of this representation.

6. DISCLOSURE STATEMENT - COST ACCOUNTING PRACTICES AND CERTIFICATION

Any contract in excess of \$100,000 resulting from this solicitation, except contracts when the price negotiated is based on: (a) Established



catalog or market prices of commercial items sold in substantial quantities to the general public, or (b) prices set by law or regulation, will be subject to the requirements of the Cost Accounting Standards Board. Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of the Cost Accounting Standards must, as a condition of contracting, submit a Disclosure Statement as required by regulations of the Board. The Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation (see a, below) unless (i) the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated defense prime contracts totaling more than \$30 million during Federal Fiscal Year 1971 or \$10 million in either Federal Fiscal Year 1972 or 1973 (see b, below) (ii) the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal (see c, below) or (iii) postaward submission has been authorized by the Contracting Officer.

**CAUTION:** A practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed to practice for pricing proposals or accumulating and reporting contract performance cost data.

. Check the appropriate box below:

a. CERTIFICATE OF CONCURRENT SUBMISSION  
OF DISCLOSURE STATEMENT

The offeror hereby certifies that he has submitted, as a part of his proposal under this solicitation, copies of the Disclosure Statement as follows: (i) Original and one copy to the cognizant Contracting Officer; (ii) one copy to the cognizant contract auditor; and (iii) within ten days after the offeror receives notice that his Disclosure Statement, or any amendment has been determined to be adequate, will submit one copy of the Statement or amendment as appropriate to the Cost Accounting Standards Board, 441 G Street, NW., Washington, D. C. 20548.

Date of  
Disclosure Statement

Name and Address of Cognizant  
Contracting Officers where Filed

The offeror further certifies that practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.



b. CERTIFICATE OF MONETARY EXEMPTION

The offeror hereby certifies that, together with all divisions, subsidiaries, and affiliates under common control, he did not receive net awards of negotiated national defense prime contracts totaling more than \$30 million during Federal Fiscal Year 1971 or \$10 million in either Federal Fiscal Year 1972 or 1973.

c. CERTIFICATE OF PREVIOUSLY SUBMITTED  
DISCLOSURE STATEMENT

The offeror hereby certifies that the Disclosure Statement was filed, as follows:

Date of  
Disclosure Statement

Name and Address of Cognizant  
Contracting Officers where Filed

The offeror further certifies that practices used in estimating cost in pricing this proposal are consistent with the cost accounting practice disclosed in this Disclosure Statement.



INTERNAL COVER MEMOS

THE WHITE HOUSE

WASHINGTON

June 16, 1975

MEMORANDUM FOR:

DUDLEY CHAPMAN  
BOB FRI  
MIKE GUHIN  
JOHN HILL  
DIXON HOYLE  
TENNEY JOHNSON  
JERRY KAHAN  
CHARLIE LEPPERT  
HUGH LOWETH  
JIM MITCHELL  
ROGER PORTER  
SAM TUTHILL  
GERALD WARREN  
GUS WEISS  
DON WEBSTER

FROM:

  
Glenn Schleede

SUBJECT:

Uranium Enrichment - Draft  
Fact Sheet and Q&A's

Enclosed for your review and comment are the first very rough drafts of a fact sheet and a set of questions and answers. Both packages require a lot of work.

Would you please mark up the packages with corrections, additions, deletions, etc., and return them to me by 5:00 p.m. Tuesday, June 17.

The attached draft Q&A's have not been critically reviewed by anyone. They are merely a collection of those provided from the various groups participating in this project. Please suggest additional subjects that you believe must be included and recommend deletion of those you believe are unnecessary.

Would you please use extra care to prevent this material from getting out of your hands.

Attachment

cc: Jim Cannon  
Jim Connor  
Rod Hills



THE WHITE HOUSE

WASHINGTON

June 17, 1975

MEMORANDUM FOR: PHIL BUCHEN  
JIM CONNOR  
MAX FRIEDERSDORF  
ALAN GREENSPAN  
ROD HILLS  
JIM LYNN  
JACK MARSH  
JIM MITCHELL  
BRENT SCOWCROFT  
BILL SEIDMAN

THROUGH: JIM CAVANAUGH

FROM: GLENN SCHLEEDE

SUBJECT: Uranium Enrichment - Message,  
Bill, Economic Impact Statement

Enclosed are draft materials received from ERDA, including:

- . Draft bill
- . Transmittal letter
- . Draft economic impact statement
- . Rough Draft Presidential Statement

The draft bill does not yet take into account the questions and problems raised over the past few days by Rod Hills. OMB (Loweth) is developing a paper on the Congressional approval issue for early discussion.

OMB is circulating the draft bill and transmittal letter through the regular legislative clearance system.

Note also that the ERDA package assumes the bill would be transmitted by Seaman rather than the President, a question we have not yet addressed.

With respect to the draft message, would you please let me have your recommendations by noon, Wednesday, June 18, on any basic changes that should be made before the draft is turned over to Messrs. Hartmann and Theis.

Attachment

cc: Jim Cannon



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

June 17, 1975

LEGISLATIVE REFERRAL MEMORANDUM

To: Legislative Liaison Officer  
Dept. of the Treasury  
Council of Economic Advisers  
Council on International Economic Policy  
Nuclear Regulatory Commission  
Federal Energy Administration  
Council on Environmental Quality  
Dept. of Justice  
National Security Council  
State Department

Subject: ERDA's draft bill "To amend the Atomic Energy Act of 1954, as amended, to authorize cooperative arrangements with private enterprise for the provision of facilities for the production and enrichment of uranium enriched in the isotope 235, and for other purposes"

The Office of Management and Budget would appreciate receiving the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

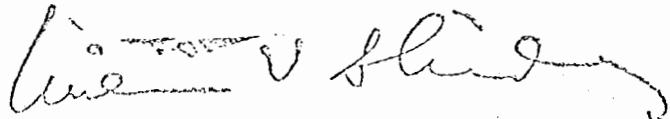
( ) To permit expeditious handling, it is requested that your reply be made within 30 days.

(XX) Special circumstances require priority treatment and accordingly your views are requested by

c.o.b. Wednesday, June 18

Questions should be referred to Ina Garten

( 395-3856 ) or to \_\_\_\_\_,  
the legislative analyst in this office.



William V. Skidmore for  
Assistant Director for  
Legislative Reference

Enclosures  
bc

cc: Rod Hills/BILL Seidman  
Bill Conog /George Jones  
O. J. White

