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UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
WASHINGTON

OFFICE OF
THE DIRECTOR

October 7, 1976

MEMORANDUM FOR MR. JOHN O. MARSH, JR.
Counselor to the President

SUBJECT: Public Understanding of the President's
Non-Proliferation Policy

The current public debate on nuclear proliferation tends to ignore the progress the Administration has made in the last two years, and instead focusses on one or two controversial issues where policy is in flux. When I discussed this problem with you last night, you requested I send you some options for possible action.

Since it is planned that the President soon give a speech to put forward his policy on non-proliferation and nuclear energy, on-the-record statements by Administration officials have to be constrained lest they "scoop" the President. Yet, most of the story is out; in part through the background briefing given by the White House to Don Oberdorfer (Washington POST) and in part because much of the subject matter has come into the public domain through Congressional hearings, etc. Thus, the criticism is getting ahead of the defense.

Options

- I. Move up the President's speech to the earliest possible date, to make it possible for Administration officials to start with an on-the-record defense soon.--In fact, whether or not the President's speech can be given sooner, we should now plan follow-on news briefing(s) to explain the more technical and detailed aspects. I would be pleased to give such a follow-on press briefing to stress the accomplishments and new progress of the President's non-proliferation policy.



- II. Start now with both on-the-record and background defenses of the past Ford accomplishments in non-proliferation while waffling questions of the President's new policy. This has the obvious drawback that it is hard to get a hearing for a story without a news peg, although to some extent it can be done. (I have reiterated in several on-the-record speeches our accomplishments of the last two years--it can be made into an impressive list contrasted with the story from earlier Administrations.)
- III. Give a press conference (or some other presentation) on the past accomplishments, but add a new item or two to provide a news peg. -- This approach is more likely to find its way into the press or TV than Option II. And if done cautiously, it need not detract from the President's speech. (I am committed to an on-the-record speech at Airlie House this coming Saturday, which could be used as a forum.)


Fred C. Ikle

cc: Mr. James E. Connor



OCT 7 1976

UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
WASHINGTON



OFFICE OF
THE DIRECTOR

10/7/76

Jack:

This is the memo you asked
me to send to you personal
attention.

Set up Fred.
Mtg today

1. Jim Conroy
2. J. Castle
3. Conroy
4. Hyland



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October 26, 1976

MEMORANDUM TO: DICK CHENEY
FROM: JACK MARSH
SUBJECT: Nuclear Proliferation Statement

At Senior Staff this morning, Cannon advised that the nuclear proliferation statement would be ready to go tomorrow (Wednesday).

He requested guidance as to the format of its release. Where should it be done, and how should it be done.

He recommended that whoever briefs on the statement should highlight differences between Ford and Carter on this subject. This raised the question as to who should brief. Cannon suggests the use of Bob Fri and Jim Connor. Fri would speak more to the technical aspects and Connor would address the non-technical and political aspects.

Request guidance at your earliest convenience.

JOM:cb



THE WHITE HOUSE
WASHINGTON

October 28, 1976
11:17

Nuclear
✓

Mr. Marsh:

Joe Jenckes called with the following concerning the nuclear announcement.

"I have talked with Jim Cannon. I have talked with both Scott and Thurmond and they are very concerned that this announcement might mean a loss of jobs instead of an increase. I have convinced them that it means MORE not LESS jobs. Also, Bob Fry will make this a very strong issue in his briefing, MORE not less jobs.

"Scott was particularly concerned because there are 40,000 nuclear-related jobs in Pa. alone, and this announcement might have some effect on these jobs."

Thanks.

Donna

*Cannon
called above
Senators. 10/28*

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF

ROBERT W. FRI,
DEPUTY ADMINISTRATOR OF THE
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
AND

CHARLES W. ROBINSON,
UNDER SECRETARY OF STATE
FOR ECONOMIC AFFAIRS

. . . THE OLD EXECUTIVE OFFICE BUILDING

2:09 P.M. EDT

MR. SHUMAN: My name is Jim Shuman. I am from the Press Office. I would like first to introduce Jim Cannon, Director of the Domestic Council, who will have a few remarks and then will introduce the other briefers.

MR. CANNON: I am just going to make a few opening comments about the President's statement on nuclear policy which I believe you have.

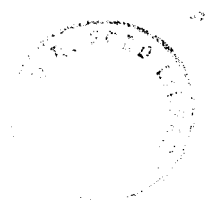
Soon after the President became President in 1974, he became concerned about the way some countries were exporting nuclear materials without proper controls. That fall, that is the fall of 1974, the President directed the Secretary of State to propose to the UN strengthening of non-proliferation measures.

At the President's initiative, also, the first meeting of the major nuclear supply nations met in London in April of 1975, and thereafter over a period of time, we began to raise standards governing the export of nuclear security.

Earlier in the year, members of the President's staff began informal discussions of the importance of dealing comprehensively with the whole range of questions involved in nuclear policy, and we put together a document which was reviewed by the President. And early in the summer directed that a thorough review be taken of all of our nuclear policies and that proposals be made to him for his decision on what further steps might be needed.

Bob Fri, Deputy of ERDA, was put in charge of this effort. He put together a very comprehensive document. It was reviewed by the related departments and agencies, studied very carefully, and near the end of the summer, the President made a basic policy decision on what he wanted to do and directed that a major statement be prepared for his consideration on the basis of his decisions.

MORE



This document was completed, and the State Department began discussions that they needed to have with other nations related to this matter. And when we reported to the President that our negotiations and discussions were complete, he directed that this nuclear policy statement be made public.

First, I would like to introduce Bob Fri, Deputy of ERDA, and the central leader of this effort to put together this very comprehensive and what we think is a very important document.

Q Jim, I have one question. Since you are going from a timetable, how do you explain, since this has been in the procession of two years, it is being released only a few days before the election rather than sooner or even after the election?

MR. CANNON: Can we let Bob make his talk before we go to the questions about that? We will address that.

MR. FRI: What I would like to do is simply highlight some aspects of the statement which you, I hope, have had at least time to glance through.

First of all, I think the crucial policy decision involved which the President addressed himself to, and on which he made a decision, is contained in the middle of page four. It says, "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."

That decision is what essentially motivates the balance of the President's statement. I would just like to highlight a few aspects of it.

First of all, I think the statement is based on a realistic assessment of the world nuclear situation, which contains at least three parts. First of all, the nuclear power is important in this country and perhaps even more important overseas if we are all around the world to eliminate our dependence on uncertain and declining supplies of oil.

Secondly, it is based on a realistic assessment that proliferation worldwide is a danger and needs to be controlled. It is also based on the realization that the United States cannot handle that problem by itself. If it ever could, it cannot now because we are no longer as dominant a factor in the nuclear situation around the world as we once were. Therefore, whatever policy we are able to develop is going to be successful only to the extent that we can secure through U. S. leadership multi-lateral cooperation from both the supplier and the consumer countries.

MORE

And because of that, and because I think this policy is built on a history of progress not only over the last two years, which has been substantial, but over the last three years of actions in the United States and discussions with other countries. We do have an optimistic chance of success with this policy.

Following through on his basic decision, I think there are two or three things that need to be highlighted. For the first time, the President has made a decision in this field which harmonizes foreign and domestic policy around the one central thrust that reprocessing should not go forward until we are convinced that we can handle the proliferation problem worldwide. Therefore, there are in this statement consistent initiatives, internationally and diplomatically as well as the deferral commercialization reprocessing in this country in order to support and be in harmony with that international policy.

Secondly, I think for the first time we are dealing with a policy which squarely addresses the legitimate needs of other countries through nuclear power and their interest in the spent fuel which is discharged from nuclear reactors which they may happen to have in their countries.

In that regard, the President has called for major cooperative regime that would help guaranty assured fuel cycle services, that is, of enrichment and reprocessing, if it proves desirable and equitable to all countries, to be a major international undertaking.

He has also shouldered the U. S. element of that responsibility now while calling on other countries to cooperate in such a venture, by offering the other countries to protect their economic interest in spent fuel.

If we can agree mutually on arrangements for the disposition of that spent fuel and also to instruct the Secretary of State to undertake the negotiation of binding letters of intent to assure other countries that we can and will supply enriched uranium.

He is also seeking the needed legislation to go further with enrichment in just the Portsmouth plant, which we are committed to build, and also to firm up our export control legislation on which we had a near miss last year.

The statement also goes beyond the usual concerns of safeguards to the International Atomic Energy Agency and physical security, although those are important elements. The policy goes beyond strengthening those already in-place controls to certain new thrusts in the international control regimen by insisting upon the direct control of material if that material, plutonium, is to be generated through its deposition with the International Atomic Energy Agency and through a policy of announced sanctions for countries who might, although we certainly hope they would not, abrogate an agreement, safeguard agreement, with ourselves or the IAEA or even with third countries. And finally to slip on our export controls not only prospectively through legislation but retroactively through the application of already agreed upon guidelines into existing agreements for cooperation.

I might add, in that process, the President has committed the U.S. to a portion of that policy already by pledging that the United States will deposit its excessive plutonium in the IAEA repository if that repository can be developed and receives proper multi-lateral support.

Next, the President commits U.S. resources to a program to evaluate reprocessing from the standpoint of international objectives that are cited in the statement, to determine whether we can, in fact, develop the international regimes that will control the proliferation problem.

Finally, I think the statement gives a clear signal, domestically, that we are going to tackle two of the biggest problems that are of concern in the nuclear power field today. One is the question of proliferation internationally. The purpose of this program is to recognize the problem that does exist, and beyond that, to mount a major initiative in order to get that problem resolved.

The second concern that is of particular importance in the United States, as well as throughout the world, is the disposal of nuclear waste. This statement adds, I think, substantially to our nuclear waste program, which had already begun rather decisively a few years ago, by doing two things: One is by setting 1978 as the date in which a number of tangible interim results, of which typical demonstrations will be available, so that we can show that the waste disposal problem can be solved.

Also, by deciding, in advance, that the first waste repository, full-scale, will go through the NPC licensing process to insure that it is fully safe and acceptable to the agency that is responsible for safeguarding the public interest in these matters.

Those strike me as some of the highlights of the statement.

Jim, unless someone else wants to make some opening remarks, Chuck Robinson, Deputy Secretary of State is here, also, this afternoon. Obviously, this is a matter of great international concern. Chuck, would you have anything you want to add?

MR. ROBINSON: I don't have any formal statement, but I would like to add that this policy statement, released by the President today, is one that obviously has some very important international implications.

MORE



The State Department has worked closely with Bob Fri and his team in developing these policies. We feel that the end result represents an important and, in fact, an essential marriage of domestic and international considerations in the nuclear proliferation field.

Needless to say, under the direction of Henry Kissinger, Secretary of State, the State Department has been working in these areas for the last few years, and particularly, in the last few months, to address the very critical questions of how do we make possible the expansion of peaceful use of nuclear power throughout the world and, at the same time, address the critical issue of nuclear proliferation.

We have carried these discussions forward aggressively, particularly in the last few months, but this statement is going to be very helpful to us in having clearly defined publicly our policies and new policies in this area. We will carry forward with our efforts, both bilaterally and through diplomatic and technical channels, to bring about the multilateral agreement and understanding which is essential to make this an effective program.

Thank you.

We had one question earlier. Do you want to re-ask that now?

Q The fact that this has been under study for two years, how do you explain the timing, only a few days before election rather than sooner, or after the election?

MR. Cannon: Obviously, we are aware that the election is next Tuesday, but from the beginning, this matter has been studied, weighed, reviewed and decided on a basis that has nothing to do with the party or the election.

The history of the nuclear field in this country is that it has been a bipartisan matter. I know, since I have been in the White House, that these matters have been addressed very carefully with the bipartisan leadership of the Joint Committee on Atomic Energy, who worked with the Democrats and Republicans alike, on reviewing these matters.

While we are, of course, aware that the election is next Tuesday, the fact is that the matter was studied on a track, or schedule, that had nothing to do with the election. It was completed and it was reviewed by the President. He approved it. He said, when all of the proper discussions were held with representatives of other countries, we checked it with him and he said go ahead, period.

MORE

Q Did the President make the final decision that the program be announced today?

MR. CANNON: That is correct.

Q While we are on that subject, Governor Carter has made a number of proposals in this field. Could you help us explain or understand how the President's proposal was different from Governor Carter's, if they are?

MR. FRI: I can't answer your question. I have never, myself, made a detailed comparison. I can sort of follow what Jim has said. It has been pretty clear beginning, at least with me, in July when we first met with the President to kick off the study that I conducted, that what he wanted was a policy and not a campaign speech, and he wanted to continue to handle it on a nonpartisan basis, as it has been existing right along. That is what has animated my work. I have not tried to make detailed comparisons, so I am afraid I can't help.

Q How does this differ from the report several weeks ago in the press, disclosing, how does it differ from that and this today? Secondly, what is this report chosen by some of the agencies, will it proceed to the the Environmental Quality Agency, which expressed some disapproval with some of the measures in this report?

MR. FRI: Let me try to answer that question this way: There have been so many reports, such as the Fri report. It is easier to say that the report that we prepared made some recommendations to the President and put before him certain options.

I am very pleased with the level of acceptance of the recommendations and in the visual field, that the President, in looking at the options, has made exactly the right decision. The reports on the Fri report, so-called, have been more or less accurate, but the fundamentals of the policy have been reasonable and stable over a period of time.

As to the question of the inter-agency comments on the report, I guess I would answer in the following way: I don't think I want to give you a blow-by-blow description of what advice each agency has given to the President. By and large, there was a very high degree of acceptance, in my judgment, of what we did and what is inherently a controversial area.

There is a divergence of view in a lot of areas as to what the ultimate acceptability of reprocessing is likely to be. I don't think that anybody, however, would dispute the conclusion that the course of wisdom here is to find out what the ultimate acceptability will be by undertaking the appropriate evaluation, while, at the same time, not foreclosing your options by insisting on a deferral of the commercialization of that technology here while we get the answers.

Sure, there is a dispute and one of the reasons for conducting this kind of a program is to get the facts and see if we can solve the problem. If the problem proves intractable we may not have reprocessing. I certainly think it will prove tractable and with the kind of cooperation we can get, both here and abroad, then we can proceed in a safe way.

Q Mr. Fri, on the question of waste deposit, you had one site several years ago in Lyons, Kansas, and Senator Dole, I guess, with other Republicans, killed that. A more recent suggestion is that you deposit wastes in Alpena, Michigan, in a facility there. Has the President vetoed that particular site?

MR. FRI: No. Let me clear that up. There is no suggestion we deposit waste in Alpena, Michigan, or any place else. There was an endeavor by the AEC some years ago to dump this stuff in my home State of Kansas. It is probably unrelated, but ERDA now has a different approach to this problem, and that is to undertake a survey of a number of sites around the country, probably 50 or so, to ascertain where there exists stable geologic formations in which a repository could be constructed.

It is not until we have this, and this will take a couple of years, until we are able to make the scientific evaluation of the geologic site through test bores, and so forth, which is what we were conducting up in Michigan, and not until we have consulted with the State and local officials involved about the social, political and economic acceptability of locating a site that we will make any kind of a decision as to where the first site ought to be.

MORE

Q But you say you are going to have something in 1978?

Q Will you run into the same kind of problems as the Navy with the Alpena situation where you cannot find any state that will let you in, so to speak, and if so, can you make a deadline if that proves a problem?

MR. FRI: By 1978, we hope to have shown on a purely scientific and technical basis that stable geologic formations have been located and we know where they are. The process then becomes one of determining what the final site ought to be.

The determination of what the final site ought to be is a matter of political and social judgment for which we happily have a process in the nuclear field which the Navy did not have access to, and that is called the Nuclear Regulatory Commission. Therefore, it will go through that licensing process completely with the environmental impact statement and the equities will have to be balanced by that commission, and the decision made as to what the public interest calls for.

Q Mr. Fri, could you tell us what exactly you are thinking about when you talk about the recycle evaluation program on top of page 12, or when the President speaks of recycle evaluation? Can you enlarge on what kind of time scale and tell about how fast ERDA will define it and when you hope to have a judgment and what exactly you are talking about?

MR. FRI: I can enlarge, but I cannot be specific because I do not have the information to be specific. In the statement, we talked about the need for the reprocessing evaluation program to meet certain international objectives. If you look back in the statement, there are both institutional and technological kinds of objectives that we would like to meet in order to insure that an international regime exists for controlling proliferation if there is going to be reprocessing, including such things as assured fuel services, handling of foreign spent fuel and its transportation, storage regime, safeguards technology, plant design and safeguards and accountable materials systems and the like.

The purpose of the exercise is to conduct a program that will satisfy on an international basis those kinds of objectives. So we have to do a couple of things as far as the U. S. Government is concerned. One of those is to consult with the IAEA and other countries who might be a party to this program and establish the outlines of the program designed.

MORE

I think it would be a mistake for the U. S. unilaterally to jump program design on an unsuspecting world until we have undertaken that kind of consultation. In conjunction with that and dependent on the objectives that we establish, ERDA has to think through the physical aspects of such a program, what kind of facilities if any would be required, where should it be and on what time scale would they have to be built and the like.

We at ERDA have been given that assignment, and now that we have announced the policy statement today, we can proceed with it.

Our objective -- although the timetable is a little tight -- it is our objective to get our thinking together on both the domestic and international fronts in time to include whatever is necessary by way of a budget proposal in the President's budget for 1978.

MORE

Q Mr. Fri, where does this policy leave the Administration's commitment to nuclear programs? During the second debate, Mr. Ford seemed to change his mind on what should come first, the UEA proposal or the Government-owned add-on apportionment. What does all of this do to any new plant?

MR. FRI: I don't think it does anything. We have been saying, over the last year anyhow, that we need a Portsmouth plant to at least optimize the operation of the ERDA system, the existing enrichment system, but we need additional enrichment capacity, as well.

Now, I think the President has put to rest any doubt that seemed to persist as to whether the Portsmouth plant would get built. It will. But we still need to seek additional capacity, in my judgment. We will seek that by trying again next year to secure the legislation necessary to allow the private sector to finance that enterprise.

Q You are talking about page four of the summary, to submit to Congress proposed legislation?

MR. FRI: Yes.

Q You are going to re-submit the same NAA?

MR. FRI: It probably won't have the Portsmouth authorization in it.

MR. CANNON: I think on Portsmouth, the President's extension only runs through March, isn't that right?

MR. FRI: That is the President's authorization.

MR. CANNON: The President has mentioned that he wants very much to proceed with the Portsmouth plant. Is not ERDA moving on a contract for design on that?

MR. FRI: We have just released today, or yesterday, the third and last architect-engineering package to get the design going, and I understand we will commence preliminary functions next year.

MR. CANNON: We are going ahead with Portsmouth as soon as possible. Exactly how we address our efforts and our hope to bring commercial companies into the process of uranium enrichment is not clear yet. Clearly, as Bob said, the NFAA would not be the same because that did have Portsmouth in it.

Q To get back to your reply earlier, you said the President made a final decision that this program would be announced today. Was it ready to be announced a week ago, or two weeks ago?

MORE

MR. CANNON: No.

Q When did you finish your work on that?

MR. CANNON: Maybe you would like to address when the discussions were held with other countries and give some idea of the reaction of other countries to this.

MR. ROBINSON: It was very clear to us, as the statement was being developed and the policy was evolving, that it was absolutely essential that we consult with our major nuclear allies in key countries around the world, from whom we will seek cooperation in developing the multi-lateral agreement. So that we had a two-step process.

First, of establishing a policy and general outline of the statement. We then had consultations to carry out which we have done over the past two or three weeks, and until those were completed, it was not timely to release the official statement.

So, that having completed the consultations with our key allies, both customers and nuclear suppliers, we were only, in the last few days, in a position where we could proceed with the release.

Q Mr. Secretary, how does this affect two situations, India, which has an application for a renewal of its nuclear fuel for the NIC, and Pakistan, which has an arrangement with France for a nuclear reprocessing center which France indicated it is going ahead with?

MR. ROBINSON: These are two entirely different problems. Taking the case of our agreement with India, we have, for some time, been negotiating with the Indians with regard to the repurchase of spent fuel as a condition for the supply of additional fuel to the Tarapur plant. Those negotiations are in progress and I think they will be given new emphasis and support by the statement that the President has released today.

In the case of Pakistan, we have an entirely different problem in that that situation is deferred as a result of a bilateral contract between France and Pakistan which calls for reprocessing. It is not clearly defined. There are a great deal of the details yet to be worked out. We are hopeful that in the spirit of international cooperation, which we hope can be developed through diplomatic channels, that there will be ultimately a solution to the problem of all reprocessing plants.

Clearly, we are on record as opposed to the construction of a reprocessing plant in Pakistan. But that, again, is a bilateral matter between France and Pakistan and may be addressed through diplomatic channels.

MORE

Q Are you seeking Congressional legislation which says that you must cut off aid to Pakistan if this is underway?

MR. ROBINSON: There is legislation that requires us to take certain actions in other areas to reflect our unhappiness with the construction of a reprocessing plant. However, it is not yet clear how that applies. We have had discussions with Pakistan and they are well aware of our feelings on that matter.

Q Mr. Secretary, can you give us the status of the West German sale to Brazil and how that relates to this? Secondly, the general international reaction to the notion of deferring those exports for three years?

MR. ROBINSON: Well, again, in the case of the German contract with Brazil, that is a completed contract. It is a bilateral arrangement between two independent countries. Our position has been made known in connection with that contract that we feel this is very likely to lead to greater risk of nuclear proliferation, but again, that is a matter that will have to be dealt with through diplomatic channels.

I think the statement that has been released by the President today will be helpful in pursuing our interests in what we think are our global interests in this matter.

Q And now, the international reaction?

MR. ROBINSON: The reaction to the proposed 3-year moratorium is one that we cannot answer until we pursue this in a more definitive way than we have, to date. But we have been encouraged by the narrowing of the policy differences between the United States and other nuclear supplier nations. We will be proceeding with consultations, both bilateral and multilateral, in an effort to achieve multilateral agreements to such a moratorium.

We obviously have to deal with very delicate political questions and we have the questions of commercial competition. Those must be addressed if we are to ultimately find a solution. But I am optimistic and I think the results of our consultations over the past few weeks have given us greater encouragement that we will find a multilateral solution to this problem.

Q Within the last several days, the editor of one of the leading newspapers in Egypt has advocated publicly that Egypt has to acquire nuclear weapons as soon as possible to compete with Israel.

In view of that, is the Administration still going to go ahead with its plans to submit to Congress these sales and subsidized sales of big reactors to both Israel and Egypt?

MR. ROBINSON: We have in the case of these two contracts with Israel and Egypt, the agreements concluded recently, the tightest controls over nuclear reprocessing of any agreements that have been concluded.

Our understanding that we now have with Egypt and with Israel gives us absolute assurance that plutonium cannot and will not be produced and diverted to nuclear weapons.

Q In other words, you are going ahead with it?

MR. ROBINSON: There is no reason on the basis of this new policy that we consider that position changed.

Q Getting back to reaction from other interests, I gather from your cautious answer that so far no countries have, indeed, indicated they will go along with the moratorium?

MR. ROBINSON: We have not been in a position to make a definitive proposal, so we have not sought a definitive response. We have had discussions that are encouraging.

Q Mr. Secretary, we have had reports recently that there may be a conference of approximately 14 supplier nations in London next month. Is there any conference of the supplier nations in the works now to discuss these proposals?

MR. ROBINSON: We have had a series of conferences with major nuclear suppliers, and we will be dealing with this problem of proliferation and moratorium on the export of sensitive nuclear technology and facilities in that forum, but we will also be dealing with these issues bilaterally through other normal diplomatic channels.

Q Is there a general meeting in mind among the nations that are now suppliers?

MR. ROBINSON: There will be general meetings on ahead, but at the moment, we are dealing with these more critical issues on a bilateral basis and will pursue them through normal diplomatic channels.

Q Is there a tentative schedule for any general meeting?

MR. ROBINSON: None that we can announce.

MORE

Q Do you have any consultations with the Soviet Union, and are they sharing our enthusiasm for this plan?

MR. ROBINSON: Yes, we have had discussions with the Soviet Union, and we have reason to believe that they will be supportive and cooperative in the multi-lateral effort.

Q Can we get back to the domestic plutonium question, Mr. Fri? The reprocessing evaluation program, isn't that just a euphemism for demonstration program of reprocessing that the President has approved?

MR. FRI: No.

Q The President has not approved a demonstration project?

MR. FRI: It is what it says it is. If you are going to go to the problem of trying to build an international structure that can control the problem of proliferation worldwide, then you have to have some kind of a program to evaluate things like IAEA repositories and the like to do it, or otherwise you will never have the information to know whether to make a decision.

Q Has the President approved the demonstration idea for reprocessing in this country as a part of this program?

MR. FRI: He has approved a reprocessing evaluation program in order to do the things that are laid out in the international field and in the statement. And we are going to consult with other countries and undertake an analysis in ERDA to determine exactly what that means.

Q You still have not answered. Does it include a demonstration plant or not?

MR. FRI: It depends on what you mean by "demonstration." It may or may not include facilities that are necessary to conduct the evaluation.

Q It includes an evaluation of the environmental safety and economics of reprocessing, is that right?

MR. FRI: Well, there is a list. There is some technology aspect such as safeguarding technology itself, plant design to insure that the plant is safeguardable, accountable systems both in the process itself and plutonium oxide or whatever else has to be deposited and controlled, physical security and those kinds of aspects which in conjunction with the IAEA can be established.

There are also institutional matters of whether the community can get together in a multi-laterally financed plan.

Q If you are going to build a demonstration plant, and you are formulating a plant for that right now --

MR. FRI: Not necessarily.

Q The Barnwell, South Carolina, plant is presently built, and will that have any role in this?

MR. FRI: It may or may not. I simply do not know.

Q When will you decide whether Barnwell has a part in this, and if so, how much it might have?

MR. FRI: I hope to have a program put together to make a budget proposal in January to the Congress in the President's budget for 1978. The cost depends entirely on what needs to be done, and it could run into several hundred million dollars.

Q What is the consideration of whether or not it would be done?

MR. FRI: The fundamental considerations are two-fold. One is what do we need in order to accomplish the objectives of the program and what is the cheapest way to get it for the Government?

Q You still have not answered whether there is going to be a demonstration plant.

MR. FRI: What do you mean by "demonstration", Les?

Q You are going to build some kind of a facility to look into reprocessing, isn't that right?

MR. FRI: We may.

Q You will? Haven't you already?

MR. FRI: You have answered my question.

Q Isn't it true that you have formulated a demonstration program and you have submitted it to OMB, and the figure you are using is that it will cost three-quarters of a billion to \$1 billion and that will be proposed in the next budget, isn't that correct?

MORE

MR. FRI: It is true that ERDA has thought through such a program prior to the conclusion of this statement. We are now instructed that that has to be re-thought in terms of internationally what kind of cooperation are we going to get and what kind of objectives ought we to try to achieve and what is the cheapest way for the U. S. taxpayer to get it.

Now, yes, there has been in ERDA some thinking about that, and there has been in ERDA some thinking about a scheme to support the commercialization of reprocessing. Now, that is not going to happen as a result of this statement. So, yes, there have been a number of things going on in ERDA. What we embark on now is what the President tells us to embark on, which is what is in this statement.

Q In the 36 page paper to the President, you described going ahead with uranium extraction at Barnwell and building two demonstration plants, federally-owned demonstration plants. Is that encompassed in the statement of the President?

MR. FRI: It is not contemplated by the statement in the sense that that has already been decided that that is the direction we are going to go. That is a possibility.

I know some of you are worried about the demonstration program, whatever that connotes to you. I do not mean to appear to be dodging these questions, but the plain fact is that what I told you is the way we are going to proceed. We do have to undertake the consultations and we do have to look at optional locations, facilities, studies, whatever the task, and we are going to put together a budget proposal for the 1978 budget if we can make it. And that is the way it is going to be.

No decision has been made on Barnwell or any specific facility site or program at this time.

Q You had a fire reported yesterday at Oak Ridge at one of your enrichment facilities, I believe. The question is whether the facilities you have there now and you have in place all over the country are antiquated beyond the possibility of meeting one of your stated goals here for fuel services.

MORE

MR. FRI: No, in fact, on the enrichment facilities, we are appending several billion dollars to significantly upgrade and expand the existing ERDA facilities. The program has been going on for three or four years.

Q What about the fire situation?

MR. FRI: I am sorry. I am not aware of that.

Q What effect would a Soviet refusal to go along with the program have on the objectives you envision?

MR. FRI: I would like to ask Mr. Robinson to answer that question.

MR. ROBINSON: I think it is clear to all of us that if this plan is to be effective, it must be multi-laterally supported. We could do all of the moral posturing in the world and take a kind of unilateral action, but the truth of the matter is that we are living in a world where the U. S. does not have a monopoly over nuclear technology or fuel. Therefore, the whole thrust of this effort is to create an atmosphere within which we maximize the chances of getting multi-lateral agreement to a set of guidelines which serve the global interests.

We have every reason to believe that the Soviet Union shares with us the objective of preventing nuclear proliferation, and we have reason to believe that they will be supportive. And I do not see any purpose in hypothesizing on the basis they may not be prepared to go along.

MORE

Q Mr. Secretary, the President's statement talks about the imposition of draft sanctions to cut off supplies to nations which divert fuel to nuclear weapons. That has happened in the past, and I wonder what the policy will be in the future if some nation with which we are cooperating would demonstrate a nuclear weapon, for example? Does that mean an immediate cut-off of all cooperation?

MR. ROBINSON: We are addressing this problem of sanctions again in a multilateral way. I believe the President's statement makes clear that we will move unilaterally in terms of cutting off the continued supply of nuclear fuel. We will also consider other sanctions in other non-nuclear areas, but the primary thrust is to get multilateral agreement through a program of sanctions so that the world responds to a violation of nuclear proliferation controls and agreements, and we do it on a multilateral basis.

So, that although we are prepared to take unilateral action with regard to the supply of nuclear fuel, primarily we are aiming at the development of a multilateral state system of sanctions which will be more effective.

Q What will happen if India explodes another nuclear device next month?

MR. ROBINSON: That, obviously, would be viewed as a very serious matter and would have to be viewed in the light of our agreement. We must understand, however, that we are going back to an agreement concluded a number of years ago where our present concerns were not fully reflected in the contractual terms.

So, we are going to have to deal with this in diplomatic ways. I can't tell you what our response would be.

Q Would you give them a grandfather clause, in effect?

MR. ROBINSON: I don't believe that -- we are not approaching these multilateral negotiations on the grounds that any one has a grandfather clause. We are hopeful to bring about a multilateral system of controls that will protect the world against the divergence of plutonium and its use for non-peaceful uses.

Q Mr. Secretary, would the bulk of your negotiations be with the British, France, the West Germans, the Soviet Union and Japan? The first four nations have the technology to exploit, but Japan is very close.

MORE

MR. ROBINSON: If you add Canada to that list, you would cover the key suppliers.

Q Mr. Secretary, in terms of the entire nations, what kind of cooperation do you have in mind and will the United States actually pay out and provide certain kinds of economic incentives to provide to supplier nations some kind of inducement to not export this technology?

MR. ROBINSON: Obviously, we are going to have to look at this situation more carefully as it evolves. But the most important incentive that we can provide the consumer nations, the buyers of nuclear fuel, is the assurance of reliable economical sources of fuel. We think that the supplier nations, together, can assume that responsibility and in a joint and multilateral program we can, working together, provide the incentives which will be important to assure compliance acceptance on the part of the consumer nations through our nuclear proliferation guidelines.

Q In your computations, has a dollar figure come up in terms of incentives?

MR. ROBINSON: That is not essential.

Q Mr. Secretary, in these negotiations, is any effort being made to perhaps bring in India and China, which are not now supplier nations, but certainly have the potential and already have nuclear weapons, themselves. Are they being consulted or are they going to be brought in early on or are you considering bringing them in after some kind of international system has been set up?

MR. ROBINSON: I don't know what you mean by bringing them in. We are not trying to divide the world up into suppliers and non-suppliers. We are consulting with all key nations throughout the world who have a common interest and we feel do have a common interest in avoiding the possibility of a nuclear holocaust.

Q Does that include India and China?

MR. ROBINSON: It includes all nations of the world.

Q This program involves some rather long-range commitments on the part of the President and the Executive Branch as to the attitudes in the future of various things that have happened, both overseas and at home. In view of that, was any of it discussed or briefed to Governor Carter or any of his representatives?

MORE

MR. ROBINSON: I have no way of knowing.

Q Does Mr. Cannon know?

MR. CANNON: Not to my knowledge.

Q How valid is this initiative likely to be if Mr. Ford gets voted out of office next week?

MR. CANNON: He is not.

Q I have a question for Mr. Fri. What implications will there be on the fast breeder reactor?

MR. FRI: What implications will be for the fast breeder reactor?

Q Yes.

MR. Fri: Let me set the stage for that a little bit. In the ERDA Administration's statement on the breeder reactor last December, I think it was, or a year ago, they determined that all of the elements needed to make a decision for or against commercialization of the breeder would not be available until 1986, and that research and development program on both the plant as well as the other issues of the breeder, should go ahead and generate that information.

Now, obviously, one element of information one needs to evaluate the commercial prospects of the breeder has to do with reprocessing and the nonproliferation consequences.

Starting today with a major initiative to get on top of that program, I think, insures that at the time ERDA makes that decision in 1986, that there will be adequate information available on the reprocessing and nonproliferation effects, and it is very timely. It will fit in very nicely with the 1986 decision and in that way, does not impact in any way on any judgment on the continued research and development program on the breeder.

The ultimate decision to commercialize the breeder depends on a number of factors which will be evaluated then.

Q Is the purpose of reprocessing to extend the life of your fuel supply, and if you are not going to go ahead with reprocessing, does this make more critical the question of whether there will be enough uranium for the next few decades?

MORE

MR. FRI: Yes, I think in any event, whether or not we have reprocessing in the future, it is essential that we go ahead and develop adequate supplies of uranium.

Now, we have pretty well known in the ground already in this country enough uranium to support the lifetime operations of something in the neighborhood of 300, or so, light water reactors, which is a very substantial contribution, in any event, to the energy needs of this country.

Q Is that potential research?

MR. FRI: Which is about half of the total expected resources. We have in operation a very major evaluation program which, by, I think, 1981, will have surveyed the entire country to make a more refined estimate of the available uranium reserves and identify the possible location of the ores.

Q Mr. Fri, why don't you go one step further in this policy and ask for a complete ban on reprocessing?

MORE

MR. FRI: Where, in the United States?

Q In the U. S. and worldwide.

MR. FRI: There is not any processing going on in the United States commercially today, and I do not think that there will be in view of the President's policy. We have asked and we want to urge this policy on the world community, and we cannot dictate to other nations whether or not to proceed with a domestic program.

Q Why don't you just ask? Instead of leaving open the possibility of reprocessing here, why didn't you completely foreclose it and ask other nations to do the same?

MR. FRI: Because in my judgment, and perhaps I would not be necessarily taken as a characterization of the President's thinking, but in my judgment, there are significant questions concerning the proliferation consequences of reprocessing.

There are also significant potential answers that would resolve those questions satisfactorily. The responsible course of action is to find out whether those answers, in fact, exist before we make the final decision. That is precisely what we are going to do, to undertake the necessary work to see if the answers are positive or negative.

MR. SHUMAN: I think we have time for one more question.

Q Mr. Fri, it is not clear to me from the statement or from what you fellows have said exactly what you have in mind on recovery of spent fuel for foreign nations. Are you talking about some sort of a buy-back program or what?

MR. FRI: We think that along with the provision of nuclear fuels and technology goes a responsibility for the supplier nations, including the U. S., to shoulder some responsibility for the spent fuel. What we have said here is a precursor, perhaps, to a more broadly based international statement of assured fuel cycle services for allocations.

We have said that the United States will enter into arrangements in some cases in which we will, in effect, hold harmless other nations upon a mutual agreement that we have some say over where the spent fuel is disposed of, whether that is a direct disposition or reprocessing.

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As part of that commitment, it may ultimately be necessary for the United States to accept back into this country some spent fuel that was generated because of reactors of fuel that it initially provided.

What exactly will happen five or ten years from now is nearly impossible to predict, but that is a possibility. It may be that we will hold that reprocessing is a terrific difficulty and some nations' fuel will be shipped to some other nation for reprocessing. We cannot tell until we have concluded this program.

Q What happens in the meantime, in the couple of years it will take to evaluate reprocessing? What happens to spent fuel then? Will we take it back or re-store it?

MR. FRI: Not necessarily, probably not.

Thank you very much.

THE PRESS: Thank you.

END

(AT 3:00 P.M. EDT)

Office of the White House Press Secretary

THE WHITE HOUSE

SUMMARY FACT SHEET

STATEMENT BY THE PRESIDENT ON NUCLEAR POLICY

I. THE PRESIDENT'S ACTION

The President today issued a major statement on nuclear policy, calling upon all nations to join in a cooperative effort to preserve the benefits of peaceful uses of nuclear energy while preventing nuclear proliferation. As a part of a comprehensive statement, he announced decisions to:

- . accelerate U.S. diplomatic initiatives, in conjunction with nuclear supplier and customer nations, to control the spread of plutonium and the technologies for separating plutonium from nuclear fuel.
- . change U.S. policy on reprocessing of nuclear fuel to provide that the U.S. will not proceed with reprocessing and recycle of plutonium unless there is sound reason to determine that the world community can effectively overcome the associated risks of proliferation.

The President concluded that the U.S. 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.

II. BACKGROUND

- . 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 available while destructive uses are prevented.
- . During the past two years, President Ford has:
 - stepped up efforts to strengthen controls against proliferation abroad.
 - acted to expand the use of nuclear energy in the U.S.
- . Last summer, the President directed that a thorough review be undertaken of U.S. nuclear policies and options, with particular attention to exports, reprocessing, waste management and non-proliferation.
- . As a result of the policy review, discussions with members of Congress, and consultations with other nations, the President decided on the new policies and actions announced today.

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III. SUMMARY OF THE PRESIDENT'S STATEMENT

- A. The problem to be solved: Prevent proliferation of nuclear explosives capability abroad while (i) preserving the benefits worldwide of peaceful uses of nuclear energy and (ii) reducing the uncertainties that have delayed expanded use of nuclear energy in the U.S. Specifically:
1. Nuclear fuel, as it produces power, also produces plutonium which can be chemically separated from spent fuel and used to generate additional power. But the same plutonium produced in nuclear plants can, when separated, also be used as a key ingredient of nuclear explosives.
 2. As additional nations use nuclear energy for peaceful purposes, there has been a tendency abroad toward the spread of the technology and facilities for chemically separating ("reprocessing") spent fuel for producing other nuclear materials useful in making explosives.
 3. The U.S., acting alone or unilaterally, cannot deal effectively with proliferation. International cooperation -- involving both nuclear suppliers and customers -- is essential because many nations are expanding the use of nuclear power to meet energy requirements; and several nations, in addition to the U.S., are able to supply nuclear fuel and technology (including sensitive technology). No nation has a monopoly.
 4. In the U.S., uncertainties about reprocessing and long-term management of nuclear wastes have contributed to delays in the expanded use of nuclear power.
- B. Objectives: The actions announced today are aimed at:
1. Strengthening the commitment of all nations to the goal of non-proliferation and building an effective system of international controls to prevent proliferation of nuclear explosives capability.
 2. Changing and strengthening U.S. domestic nuclear policies and programs to contribute to our non-proliferation goals.
 3. Establishing, by these actions, a sound foundation for the continued and increased use of nuclear energy in the U.S. and abroad in a safe and economic manner.
- C. Principal Policy Decisions:
1. Reprocessing and recycling of plutonium should not proceed unless there is sound reason to conclude that the world community can overcome effectively the associated risks of proliferation.

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2. Avoidance of proliferation must take precedence over economic interests.
3. U.S. and other nations can and should increase their use of nuclear power for peaceful purposes even if reprocessing and recycle of plutonium are not found acceptable.
4. Specific decisions to implement the overall policy positions include:
 - Change domestic policies to conform with the decision to defer commercialization of chemical reprocessing.
 - Call upon all nations to avoid transferring or making commitments to transfer reprocessing and uranium enrichment technology and facilities for at least three years.
 - Call upon supplier nations to take new cooperative steps to help assure an adequate and reliable supply of fuel for customer nations that forego reprocessing and uranium enrichment capability to accept strengthened and effective proliferation controls.
 - Maintain U.S. role as a major and reliable supplier of nuclear reactors and fuel services (e.g., uranium enrichment) for peaceful purposes.
 - Take new steps to urge all nations to join in a full-scale international cooperative effort to develop effective proliferation controls.
 - Take new steps with respect to U.S. exports, to control proliferation while seeking to strengthen multilateral guidelines.
 - Sponsor a program to evaluate reprocessing in support of the new international policies.
 - Take new steps to assure that long-term nuclear waste storage or disposal facilities are in place when needed both in the U.S. and around the world.

D. Actions to Implement Our Nuclear Policies

The President announced a number of specific actions to implement the nuclear policies outlined in the statement.

1. In accordance with the change in U.S. policies on nuclear fuel reprocessing, the ERDA Administrator is to:
 - Change his agency's policies and programs which heretofore have been based on assumptions that reprocessing would proceed.
 - Encourage prompt action by industry to expand spent fuel storage facilities.

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- Identify R&D efforts needed to investigate the feasibility of recovering energy value from used nuclear fuel without separating plutonium.
2. To avoid proliferation risk, all nations are asked to join with the U.S. in exercising maximum restraints 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.
 - Nuclear suppliers are urged to provide nuclear customers with fuel services instead of sensitive technology and facilities.
 - The Secretary of State is to explore with other nations, arrangements for coordinating fuel services to assure a reliable and economical supply of low enriched uranium fuel and fuel services.
 - The Secretary is also to enter into negotiations on the disposition of spent fuel with consumer nations that adopt responsible non-proliferation controls.
 - The U.S. will continue cooperative efforts with other countries to develop their indigenous non-nuclear energy resources.
 4. To strengthen the U.S. role as a reliable supplier of nuclear reactors and fuel for peaceful purposes, the President will:
 - Submit to the new Congress proposed legislation to permit expansion of capacity in the United States to produce enriched uranium.
 - Work with the new Congress to improve our export controls in a way that provides maximum assurances that the U.S. will be a reliable supplier for the full period of nuclear cooperative agreements.
 5. To achieve effective international controls against proliferation:
 - The Secretary of State is to pursue discussions aimed at establishing a new international regime to provide storage for excess civil plutonium and spent reactor fuel.
 - The Secretary and the Administrator of ERDA are to work with other nations in a major effort to upgrade the International Atomic Energy Agency's (IAEA) safeguards functions and capabilities.

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- The Secretary of State is to work with other nations to develop and apply improved standards of physical security at nuclear facilities, including exploration of a possible international convention.
- The U.S. will respond to any violation of a safeguards agreement to which it is a party with at least an immediate cut off of our nuclear cooperation with that nation.

6. In the control of U.S. nuclear exports:

- The U.S. will apply new criteria in judging whether to enter into new or expanded agreements for peaceful nuclear cooperation.
- The Secretary of State is to enter into negotiations to conform existing agreements between the U.S. and cooperating nations with established international guidelines and our new criteria.
- The Secretary is to intensify discussions with nuclear suppliers aimed at expanding the common international guidelines for cooperative agreements to conform with the new criteria.
- The Secretary is to work with the NRC to further emphasize non-proliferation controls in the nuclear export licensing process, pending passage of new legislation.

7. In order to mount a program to evaluate reprocessing:

- The Administrator of ERDA is to begin immediately to define a reprocessing and recycle program consistent with our international objectives outlined earlier, which program should complement the NRC's on-going evaluations of reprocessing and recycle.
- The Secretary of State is to invite other nations to participate in designing and carrying out an evaluation program, which program would be subject to full IAEA safeguards and inspection.

8. To assure that nuclear waste management facilities are available in the mid-1980's:

- The Administrator of ERDA is to take necessary action to speed up the program to demonstrate all components of waste management technology by 1978, and to demonstrate a complete repository for commercial high-level nuclear wastes by 1985. He is also to submit plans for the repository to the NRC for licensing to assure its safety and acceptability.
- The Secretary of State is to discuss with other nations the possibility of centrally located multi-nationally controlled nuclear waste repositories.

Office of the White House Press Secretary

THE WHITE HOUSE

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.

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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.

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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.

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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.

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- 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:
 - o change ERDA policies and programs which heretofore have been based on the assumption that reprocessing would proceed;
 - o 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
 - o 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.

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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.

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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.

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- 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.

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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.

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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 affect 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.

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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.

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Office of the White House Press Secretary

THE WHITE HOUSEFACT SHEETPRESIDENT'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 repository 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 PLANA. 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.

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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 repository 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.

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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.