

Amb. Smith

CONFIDENTIALExtension of Takai Mura: Meeting with Minister Sumiya

3/17/80

Minister Sumiya is coming to convey the GOJ response on one aspect of our proposal for extending the Tokai agreement until April 30, 1981. The issue that Sumiya wishes to raise relates to the "oral understanding" that we have suggested stating that Japan will make no "major moves" toward the second reprocessing plant, including specifically acquisition of a site, during the period of the extension. We have proposed that an oral understanding to this effect be included in the extension for several reasons:

-- The "no major moves" provision is in the present agreement, and we wish to make a few changes as possible in order to facilitate Congressional acceptance of the extension.

-- We understand that the Japanese do not intend to acquire a site until at least 1982, so this should not infringe on its program.

-- Removal of this restriction might well be interpreted at home and abroad as US acquiescence in commercial scale reprocessing in Japan without condition. It would be highly preferable to have this issue resolved in the broader context of reaching agreement with Japan on such issues as plutonium use, the handling of MB-10's, and the timing of new sensitive facilities.

We do not know what specific problems the Japanese might have, but we are of course prepared to consider what ever they have to say.

The Japanese do not appear to have any significant problems with other aspects of the extension agreement we have proposed, but Counselor Togo plans to discuss with Lou Nosenzo after your meeting some suggested language changes the Japanese have in the draft note we gave them.

Attached is the cable transmitting our proposals to the GOJ.

Attachment:
As stated

DRAFTER:OES/NEP:Rust Deming
CLEARANCE:OES/N:L. Nosenzo

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Authority NWD06817

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SAS-02 CIAE-00 INR-10 IO-14 NSAE-88 EE-08 NRC-82
DOE-88 H-81 SS-15 SP-82 CEO-01 PM-05 /106 R

DRAFTED BY DES/WEP:RDEMING:ACDA/NP:FHOUCK:DJR
APPROVED BY DES/N:LWSENZO
DOE/IA:FHCGOLDRICK
A/J:HMEYERS
ACDA/NP:RVILLIAMSON
GDA/NP:JHENZEL
L/N:RBETTAUER (DRAFT)
MSC:JDLINGER
S/AS:ALOCKE

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TO AMEMBASSY TOKYO PRIORITY
AMEMBASSY VIENNA PRIORITY

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E.O. 12065 GDS 02/13/86, WSENZO, L. V. DES/N

TAGS: FARM, TECH, IAEA, JA

~~SUBJECT: (U) TOKAI MURA REPROCESSING PLANT-EXTENSION OF AGREEMENT~~

REFS: (A) STATE 19625; (B) STATE 20755

2. ENTIRE TEXT CONFIDENTIAL.

2. PARA 3 CONTAINS DRAFT NOTE AND ADDITIONAL ORAL UNDERSTANDING RELATING TO THE EXTENSION OF THE TOKAI AGREEMENT UNTIL APRIL 30, 1981. PARA 4 CONTAINS NON-PAPER ON SAMPLE SHIPMENT PROBLEM. PLEASE PASS NOTE, ORAL UNDERSTANDING AND NON-PAPER TO APPROPRIATE GOJ OFFICIALS, MAKING FOLLOWING POINTS:

-- DRAFT NOTE AND ORAL UNDERSTANDING ARE BASED ON DISCUSSIONS BETWEEN ASST. SEC. PICKERING AND GOJ LAST MONTH IN TOKYO.

-- IN VIEW OF NEED TO COMPLETE SUBSEQUENT ARRANGEMENT PROCEDURES AND TO SUBMIT PACKAGE TO CONGRESS, WE LOOK FORWARD TO EARLY GOJ RESPONSE TO US PROPOSED TEXT AND UNDERSTANDING.

-- ONE ISSUE THAT WILL NEED FURTHER DISCUSSION WILL BE URANIUM/PLUTONIUM RATIO OF COCONVERSION PLANT PRODUCT. THE US IS PREPARED TO HOLD TECHNICAL TALKS ON THIS ISSUE EITHER IN WASHINGTON OR TOKYO BUT SUGGESTS THAT DISCUSSIONS BEGIN IN WASHINGTON WITH JAPANESE EMBASSY SCIENCE COUNSELOR KURIHARA.

-- THE DRAFT NOTE MAKES NO DIRECT REFERENCE TO THE PROBLEM OF THE SHIPMENT OF IAEA SAFEGUARD SAMPLES FROM THE TOKAI REPROCESSING PLANT TO THE IAEA LABORATORY IN AUSTRIA BECAUSE OF THE TECHNICAL NATURE OF THIS ISSUE. HOWEVER WE ATTACH GREAT IMPORTANCE TO AN EARLY SOLUTION, EVEN IF AN INTERIM ONE, TO THIS PROBLEM IN THE CONTEXT OF EXTENDING THE TOKAI AGREEMENT. WE HAVE THEREFORE PREPARED A NON-PAPER ON THIS ISSUE, AND WE HOPE THAT GOJ WILL BE ABLE TO RESPOND TO THIS PAPER AT SAME TIME THAT IT RESPONDS TO THE DRAFT NOTE.

3. BEGIN DRAFT NOTE TEXT: THE DEPARTMENT OF STATE REFERS THE EMBASSY OF JAPAN TO THE JOINT COMMUNIQUE ISSUED ON SEPTEMBER 12, 1977; THE JOINT DETERMINATION OF SEPTEMBER 12, 1977, FOR REPROCESSING OF SPECIAL NUCLEAR MATERIAL OF UNITED STATES ORIGIN; AND THE EXCHANGE OF NOTES OF OCTOBER 1, 1979, WHICH EXTENDED THESE AGREEMENTS UNTIL APRIL 30, 1980; AND WISHES TO INFORM THE LATTER AS FOLLOWS:

1. IN VIEW OF THE FACT THAT THE TOKAI MURA REPROCESSING PLANT HAS NOT COMPLETED THE REPROCESSING OF THE 99 TONNES OF US ORIGIN FUEL THAT IS AUTHORIZED BY THE AFOREMENTIONED COMMUNIQUE AND JOINT DETERMINATION AND BECAUSE OF THE DESIRABILITY OF ADDITIONAL EXPERIMENTS ON CO-PROCESSING AT THE OPERATIONAL TEST LABORATORY AND ADDITIONAL SAFEGUARD DEVELOPMENT WORK AS WELL AS FURTHER EVALUATION OF THE RESULTS OF INFCE BEFORE DETERMINING THE MODE OF OPERATION OF THE TOKAI PLANT AFTER THE INITIAL PERIOD, THE GOVERNMENT OF THE UNITED STATES CONSIDERS IT APPROPRIATE THAT THE INITIAL PERIOD OF OPERATION OF THE TOKAI REPROCESSING FACILITY BE EXTENDED AGAIN UNTIL APRIL 30, 1981.

2. THE GOVERNMENT OF THE UNITED STATES OF AMERICA REAFFIRMS THAT THE ACTIONS OF THE TWO COUNTRIES IN THE EXTENDED PERIOD MENTIONED IN PARAGRAPH 1 ABOVE SHOULD BE GUIDED BY THE UNDERSTANDINGS, PRINCIPLES, AND INTENTIONS SET OUT IN THE AFOREMENTIONED JOINT COMMUNIQUE AND BASED ON THE AFOREMENTIONED JOINT DETERMINATIONS, WITH THE FOLLOWING MODIFICATIONS: THE GOVERNMENT OF THE UNITED

STATES AGREES THAT IN VIEW OF THE NEED FOR MIXED OXIDE FUEL FOR JAPAN'S RESEARCH AND DEVELOPMENT WORK ON FAST BREEDERS AND OTHER ADVANCED REACTORS, THE CONSTRUCTION OF THE PLUTONIUM CONVERSION FACILITY SCHEDULED TO BE ATTACHED TO THE TOKAI REPROCESSING FACILITY NEED NO LONGER BE DEFERRED AS CALLED FOR IN PARAGRAPH 101.2 OF THE JOINT COMMUNIQUE OF SEPTEMBER 12, 1977. THE GOVERNMENT OF THE UNITED STATES UNDERSTANDS THAT THIS FACILITY WILL BE DEVELOPED IN A COCONVERSION MODE USING THE HIGHEST PRACTICABLE MUTUALLY AGREED URANIUM TO PLUTONIUM RATIO IN LIGHT OF THE REQUIREMENTS OF JAPAN'S FAST BREEDER AND ADVANCED REACTOR RESEARCH AND DEVELOPED PROGRAMS. THE UNITED STATES FURTHER UNDERSTANDS THAT THE PLUTONIUM OBTAINED FROM THE 99 TONNES OF US ORIGIN SPENT FUEL COVERED BY THE JOINT DETERMINATION OF SEPTEMBER 12, 1977, WILL BE USED EXCLUSIVELY FOR JAPAN'S FAST BREEDER AND ADVANCED REACTOR RESEARCH AND DEVELOPMENT PROGRAM AND WILL NOT BE USED FOR RECYCLE IN LWR REACTORS OR RETRANSFERRED WITHOUT US APPROVAL.

3. THE UNITED STATES GOVERNMENT REAFFIRMS THE IMPORTANCE ATTACHED TO EFFECTIVE IAEA SAFEGUARDS AT THE FACILITY, AS EXPRESSED IN PARAGRAPH 101.6 OF THE AFOREMENTIONED JOINT COMMUNIQUE, AND UNDERSTANDS THAT JAPAN: WILL CONTINUE TO SUPPORT IMPROVEMENTS IN SAFEGUARDS EFFECTIVENESS THROUGH THE TESTING OF ADVANCED SAFEGUARDS INSTRUMENTATION AND TECHNIQUES, BEGUN UNDER THE TASTEX PROGRAM; AND WILL COOPERATE WITH THE IAEA IN INCORPORATING INTO THE EXISTING SAFEGUARD PROCEDURES DURING THE EXTENDED PERIOD THOSE ELEMENTS OF THE TASTEX PROGRAM AS THEY ARE IDENTIFIED BY THE IAEA FOR IMPROVING THE EFFECTIVENESS OF SAFEGUARDS AT THE FACILITY, AS WELL AS OTHER PROCEDURES NECESSARY FOR EFFECTIVE SAFEGUARDS. IT IS ALSO UNDERSTOOD THAT THE GOVERNMENT OF JAPAN WILL COOPERATE WITH THE IAEA AT AN EARLY STAGE TO FACILITATE THE APPLICATION OF SAFEGUARDS AT THE CONVERSION FACILITY TO BE CONSTRUCTED. END TEXT.

4. IN ADDITION, IT IS SUGGESTED THAT WE SEEK THE FOLLOWING ORAL UNDERSTANDING WITH THE GOJ AT THE TIME OF THE

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EXTENSION: WITH REGARD TO THE UNDERSTANDING EXPRESSED IN THE JOINT COMMUNIQUE OF SEPTEMBER 12, 1977, THAT JAPAN AND THE UNITED STATES DO NOT INTEND TO UNDERTAKE ANY MAJOR MOVES REGARDING ADDITIONAL REPROCESSING FACILITIES FOR PLUTONIUM SEPARATION DURING THE PERIOD OF AGREEMENT, THE US AND JAPAN UNDERSTAND THAT ACQUISITION OF LAND FOR A COMMERCIAL REPROCESSING PLANT WOULD CONSTITUTE SUCH A "MAJOR MOVE" AND THAT SUCH A STEP IS NOT CONTEMPLATED DURING THE PERIOD OF THIS EXTENSION. IF THE PLANS OF THE GOVERNMENT OF JAPAN OR JAPANESE FIRMS CHANGE IN THIS REGARD, THERE WILL BE IMMEDIATE CONSULTATIONS BETWEEN THE TWO GOVERNMENTS.

5. BEGIN NON-PAPER TEXT: THE GOVERNMENT OF THE UNITED STATES IN THE DRAFT NOTE EXTENDING THE TOKAI AGREEMENT BEYOND APRIL 30, 1980 STRESSED THE IMPORTANCE OF EFFECTIVE IAEA SAFEGUARDS AT THE FACILITY AND OF TIMELY INCORPORATION OF NEW ELEMENTS AND PROCEDURES, AS NEEDED, INTO THE SAFEGUARDS ACTIVITIES AT THE FACILITY. IN THIS REGARD, WE ARE CONCERNED ABOUT THE DIFFICULTIES THAT PERSIST WITH RESPECT TO THE SHIPMENT OF IAEA SAFEGUARDS SAMPLES FROM TOKAI TO THE IAEA LABORATORY IN AUSTRIA AND, IN PARTICULAR, ABOUT THE IMPLICATION OF THIS PROBLEM ON THE ABILITY OF THE IAEA TO VERIFY MATERIAL BALANCES AND MATERIAL UNACCOUNTED FOR. THERE IS AN URGENT NEED TO BEGIN MOVEMENT TOWARDS A PRACTICAL SOLUTION TO THIS PROBLEM BEFORE THE CURRENT US-JAPAN AGREEMENT EXPIRES APRIL 30, 1980, SO THAT THE IAEA CAN INDEPENDENTLY VERIFY MATERIAL BALANCES AT TOKAI MURA AND BE ABLE TO REACH THE TECHNICAL CONCLUSIONS CALLED FOR IN ARTICLE 30 OF THE IAEA/JAPAN SAFEGUARDS AGREEMENT.

WE ASK THAT THE JAPANESE AUTHORITIES GIVE HIGH PRIORITY TO WORKING OUT WITH THE IAEA AT LEAST AN INTERIM SOLUTION, MUTUALLY SATISFACTORY TO THE IAEA AND JAPAN, WHEREBY THE IAEA CAN GAIN THE NECESSARY ASSURANCE OF THE VALIDITY OF MEASUREMENTS INVOLVED IN THE MATERIAL BALANCES. THIS APPLIES NOT ONLY TO THE SOLUTION SAMPLES FROM THE REPROCESSING OPERATIONS BUT ALSO TO THE MIXED-OXIDE SAMPLES FROM THE CONVERSION OPERATIONS. END TEXT.

6. FOR VIENNA. MISSION IS REQUIRED TO ADVISE DDG GRUEHM OF THE USG CONCERN REGARDING THE PROBLEMS IDENTIFIED IN PARAGRAPH 4 AND OF THE IMPORTANCE OF FINDING A SOLUTION, EVEN AN INTERIM ONE, IN THE NEAR FUTURE. IN DISCUSSING THIS MATTER WITH GRUEHM, MISSION SHOULD MAKE THE FOLLOWING POINTS: WE BELIEVE A SOLUTION WILL BE FOUND ONLY IF THE IAEA AND THE JAPANESE AUTHORITIES ALL GIVE HIGH PRIORITY TO FINDING A SOLUTION, AND WE DO NOT FEEL THAT SUCH A COMMITMENT HAS BEEN MADE TO DATE. WE ARE URGING THE JAPANESE AUTHORITIES TO FIND, IN COOPERATION WITH THE IAEA, AN EARLY SOLUTION TO THE PROBLEM, IF POSSIBLE BY THE END OF APRIL 1980. THIS APPLIES NOT ONLY TO SOLUTION SAMPLES FROM THE REPROCESSING OPERATIONS BUT ALSO TO THE MIXED-OXIDE SAMPLES FROM THE CONVERSION OPERATIONS. CHRISTOPHER



National Security Archive,
Suite 701, Gelman Library, The George Washington University,
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