

MEMORANDUM TO: Ronald D. Hauber, Director  
Division of Nonproliferation,  
Exports and Multilateral Relations  
Office of International Programs

FROM: Theodore S. Sherr, Chief  
Licensing and International  
Safeguards Branch  
Division of Fuel Cycle Safety  
and Safeguards, NMSS

SUBJECT: XSNM-3131 AND XSNM-3132, EXPORTS OF LOW-ENRICHED  
URANIUM FOR USE AS POWER REACTOR FUEL IN JAPAN

We have reviewed the subject export applications and provide the following international safeguards and foreign physical protection information for your consideration. These cases involve the export of natural and low-enriched uranium to Japan for fabrication at the NFI Tokai and NFI Kumatori fuel fabrication facilities and ultimate use as reload fuel in the Tsuruga-2 and Genkai-1, 2, and 3 power reactors.

#### Safeguards Implementation

Japan is a party to the Non-Proliferation Treaty and, as such, accepts IAEA safeguards on all source and special nuclear material in its nuclear activities. IAEA Facility Attachments have been negotiated and are in force for all of the facilities mentioned above.

We note that the IAEA Safeguards Implementation Report for 1998 states that, with the exception of the DPRK situation, "...the Secretariat did not find any indication that nuclear material which had been declared and placed under safeguards had been diverted for any military purpose or for purposes unknown, or that facilities, equipment or non-nuclear material placed under safeguards were being misused. All the information available to the Agency supports the conclusion that the nuclear material and other items placed under safeguards remained in peaceful nuclear activities or were otherwise adequately accounted for."

#### Physical Protection

An evaluation was performed during a visit to Japan in May 1997. The conclusion of this review was that Japan's physical protection program was consistent with the then-current version of INFCIRC/225 (i.e., Rev. 3). Staff has reviewed subsequent information received to date, and has determined that there is no indication that the physical protection program has degraded in this country. In addition, staff has determined, on the basis of currently available information, that physical protection measures to protect against proliferation of nuclear weapons are in conformance with the current version of INFCIRC/225 (i.e., Rev.4).

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