

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

FROM: Eric J. Leeds, Acting Chief
Licensing and International
Safeguards Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

SUBJECT: XSNM-3135, EXPORT OF NATURAL AND LOW-ENRICHED
URANIUM TO KAZAKHSTAN

We have reviewed the subject export application and provide the following international safeguards and foreign physical protection information for your consideration. This case involves the export of natural and low-enriched uranium to Kazakhstan for conversion into UO₂ powder at the Ulba Metallurgical Plant and return to the U.S.

Safeguards Implementation

Kazakhstan 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. The latest IAEA Annual Report does not list an IAEA Facility Attachment as in force for the Ulba Metallurgical Plant mentioned above, but they have submitted a Design Information Questionnaire to the IAEA. Staff has confirmed with the IAEA that they have done Physical Inventory Verifications at Ulba annually since 1997 and are, in fact, conducting quarterly ad hoc inspections there.

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

NRC staff have visited Kazakhstan within the past several years as part of the MPC&A assistance program but not for the explicit purpose of evaluating the implementation of physical protection with respect to international recommendations (INFCIRC 225, Rev. 4) or received a statement from Kazakhstan declaring that physical protection measures are being provided in accordance with international recommendations. Kazakhstan is however, actively working to improve the protection of its nuclear materials through the MPC&A program and work with other countries. Kazakhstan has also sent experts to the U.S. to observe implemented physical protection measures and hold discussions concerning physical protection. Most importantly, Kazakhstan has participated in international workshops and conferences addressing enhancements to physical protection measures in IAEA's INFCIRC 225.

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