

December 18, 1980

**Memorandum from Chairman, Non-Proliferation
Coordinating Committee James Malone,
'Recommendations for the Reagan Administration
Non-Proliferation Policy'**

Citation:

"Memorandum from Chairman, Non-Proliferation Coordinating Committee James Malone, 'Recommendations for the Reagan Administration Non-Proliferation Policy'", December 18, 1980, Wilson Center Digital Archive, National Security Archive. Contributed by Sasha Polakow-Suransky. <https://digitalarchive.umd.edu/document/116759>

Summary:

James Malone writes to US Secretary of Energy designate James Edwards with recommendations from the Non-Proliferation Coordinating Committee for the Reagan administration representing the views of nuclear industry groups.

Credits:

This document was made possible with support from Carnegie Corporation of New York (CCNY)

Original Language:

English

Contents:

Original Scan

8/27/5/1

OFFICE OF THE PRESIDENT-ELECT

WASHINGTON, D.C. 20270

December 18, 1980

MEMORANDUM

TO: James Edwards, Secretary of Energy-Designate

FROM: James L. Malone, *JLM* Chairman, Non-Proliferation
Coordinating Committee

SUBJECT: Recommendation for Reagan Administration Non-Proliferation
Policy

Attached is the Recommendation for Reagan Administration Non-Proliferation Policy which has been prepared by the Non-Proliferation Coordinating Committee. This report represents the views of industry groups such as the American Nuclear Society and the Atomic Industrial Forum and incorporates the positions recommended by the Subcommittee on Nuclear Power and Electric Utilities of Governor Reagan's Energy Policy Task Force which was commissioned before the election.

Policy changes recommended by the former Ambassador and Special Representative for Non-Proliferation, when he left office were also available to the Coordinating Committee and have been drawn upon in preparing the report. Ambassador Keith Glennan a former U.S. Representative to the International Atomic Energy and former Administrator of NASA contributed to the report.

Mr. Kenneth Davis participated actively in the preparation of this report as a special adviser to the Coordinating Committee. Mr. Davis had been commissioned by William Timmons for the Transition Office to consult with outstanding experts in the nuclear community and provide recommendations on matters affecting agencies with nuclear energy responsibilities for the transition teams. In addition, the new Chief Counsel of the Senate Energy Commission participated actively in the work of the Coordinating Committee and in preparing this report.

The report has been coordinated with the transition teams for the State Department, the Department of Energy, the Nuclear Regulatory Commission, and the Arms Control and Disarmament Agency and is to be an integral part of the reports of each of those teams.

RECOMMENDATION FOR THE REAGAN ADMINISTRATION
NON-PROLIFERATION POLICY

Focus of US Non-Proliferation Efforts

The need to stop the spread of nuclear explosives is one of the greatest challenges facing the United States in 1980s and beyond. The non-proliferation policy of the previous Administration failed to reduce the potential of additional countries for obtaining nuclear explosives. The previous policy emphasized broadly-applied measures to prevent misuse of the nuclear fuel cycle for electrical power generation. These measures, which included attempts to reverse the reprocessing programs of advanced industrial states, alienated those nations whose support is vital to combatting proliferation in regions where its potential is a serious threat. Immediate and effective steps should be taken to redress this situation and to restore US credibility and influence. The effectiveness of the US non-proliferation effort would thereby be greatly enhanced.

Recognizing that the United States is becoming isolated on major non-proliferation and nuclear fuel cycle issues, there should be an immediate US effort to rebuild the international consensus on these questions. Further, it is important that the United States treat proliferation primarily as a security problem. The unnecessary US efforts aimed at countries posing no risk should be discontinued, particularly in view of international energy security needs. Regarding nations where the potential for acquisition of nuclear explosives is a risk to US security interests, US efforts should be vigorously increased, as each situation requires. In particular, the United States should concentrate on understanding and dealing with the motivations and technical efforts of nations now seeking nuclear explosives.

Further discussion of the needed redirection of US policy is contained in the paper at Tab A. Set forth below are the basic criteria which should be adopted by the President-elect as the basis for the non-proliferation policy of his Administration.

Non-Proliferation Policy Criteria

1. The United States should make every effort to restore its credibility and reliability as a nuclear supplier. By enhancing the US role in international nuclear commerce, the United States will thereby strengthen its ability to achieve its non-proliferation objectives through and with the cooperation of other nations.
2. Agencies with responsibilities for non-proliferation policy should be restructured to the extent necessary to provide for centralized formulation and implementation of such policy. This criterion is more fully discussed in the paper at Tab B; the three most critical elements are as follows:
 - The NRC responsibility for the issuance of export licenses should be transferred to the State Department. In the future, international activities at the NRC

-2-

should be limited to cooperation regarding health and safety matters, safeguards and physical protection. With respect to export licensing the NRC could contribute its technical expertise in areas such as safeguards and physical protection, but its role should be a consultative one only.

- In the State Department a bureau should be established having sole responsibility within the Department and lead action within the Administration for nuclear affairs. The new bureau should be led by an Assistant Secretary reporting directly to the Secretary of State.
 - Officials appointed to positions with responsibility for non-proliferation matters should share the view of the President-elect that nuclear energy is vital not only to this nation's energy security but to that of US trading partners.
3. Non-proliferation policy should be determined and implemented in the context of overall US international security requirements.
- Accordingly, the policy of denial of US nuclear supply should be applied only to countries posing a threat to US international security interests.
4. Existing international arrangements such as the International Atomic Energy Agency (IAEA) and the Non-Proliferation Treaty (NPT) regime should be affirmed as the most credible institutional approach to dealing with proliferation. These institutions should be further strengthened and given greater US support to provide for an improved universal regime for the control of international nuclear commerce.
- US support to the IAEA in the form of financial contribution, manpower and technical advice should be increased significantly.
 - INFCE findings which stress further development of strong international institutions should be endorsed as the preferred means of controlling proliferation.
 - International exercises under the auspices of the IAEA, such as the effort to develop an international plutonium storage regime, should be vigorously supported.
 - Development of improved expertise in the safeguarding of advanced reactor fuel cycles and enrichment, reprocessing and plutonium handling facilities should be sought through US support to the IAEA in furtherance of the need to adequately safeguard new and more sophisticated facilities which will be deployed in the coming decades.
5. The Nuclear Non-Proliferation Act and the Atomic Energy Act should be revised as soon as possible to redress the inadequacies

-3-

of the policy of the last four years. Such statutory reform, among other things, should

- Remove retroactive application of new conditions for export with respect to previous supply commitments;
- Disavow unilateral imposition of new controls as a condition of supply;
- Restore US participation in the international development and management of the nuclear fuel cycle; and
- Affirm that existing supply commitments will be honored and that there will be continuity of supply.

6. Pending achievement of needed legislative action, several immediate actions (further discussed on pages 4-5) to reestablish US credibility and reliability should be taken, including the following:

- Requests for retransfer of nuclear material for reprocessing in France or the United Kingdom should be approved without delay, in accordance with statutory requirements.
- Time constraints for processing export actions in the Executive branch should be strictly followed; and
- Following Executive branch approval of an application for an export license, the export should be authorized by Executive Order in each case that the NRC fails to act within the time provided by law.

7. The United States should seek to develop new and expanded commercial relations in the field of nuclear energy with nations which share US non-proliferation objectives.

8. Pursuit of legitimate energy security objectives by other nations should not be hampered by US interference in such sovereign matters. Similarly, US nuclear energy programs should be encouraged to proceed and should be supported in accordance with US energy security needs and US international environmental policy.

- Past US attempts (1) to thwart civil reprocessing programs of several major industrialized nations and (2) to resolve domestic environmental problems in some recipient states, had no real effect on controlling proliferation and only served to injure US international relations. These practices should be disavowed.
- Development of the breeder and other advanced nuclear fuel cycles, enlargement of enrichment capacity and construction and operation of reprocessing and recycle facilities should be supported to provide for long-term US energy needs. As appropriate, such technology should

-4-

be shared with nations demonstrating a legitimate need. In addition, US programs to further improve the safeguardability of facilities incorporating such technology should be increased and the results of such programs made available to other nations where needed and to the IAEA.

Immediate Actions

Policy Direction

The President-elect should advise each of his principal advisers and appointees who will be concerned with nuclear matters of the elements of his policy. These elements would form the basis for positions appointees would take during confirmation hearings and serve as interim guidance for Executive branch agencies. After January 20, the President's non-proliferation policy should be announced and adequately spelled out in an appropriate forum at the earliest possible time. This would serve to rebut the April 1977 statement and set the tone and framework for implementation of the new policy.

Legislative Action

Statutory change and reorganization should be sought to permit the unimpeded execution of the new policy. Reorganization authority valid until April 1, 1981 could be used to effect some of the changes. Principal elements of a reorganization plan or a bill to amend the Nuclear Non-Proliferation Act and the Atomic Energy Act are contained in a paper at Tab C.

US Nuclear Programs

Existing nuclear programs should be redirected to enhance the use of nuclear power for US and international security needs.

US Export Licensing

- o Legislative action should be sought to transfer licensing authority to the State Department, and this is further described in a paper at Tab D.
- Pending statutory changes, if the Executive branch approves a license and it is not issued by the NRC within statutory time periods, the President should authorize the export by Executive Order as provided in the law. This should be done routinely if license applications are not processed on a timely basis by the NRC.
- o Use of general licenses on a broader scale to facilitate nuclear commerce should be given immediate consideration.