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THE WHITE HOUSE

PRESS CONFERENCE

OF

ROBERT W. FRI,

DEPUTY ADMINISTRATOR OF THE

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

AND

CHARLES W. ROBINSON,

Deputy ~~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.

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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.

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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 regime 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 NRC 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.

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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.

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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.

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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.

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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.

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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.

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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?

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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.

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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?

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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.

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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.

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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?

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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.

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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.

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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.

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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)