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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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September 5, 1974

National Security Study Memorandum 209

TO: The Secretary of Defense
The Director, Office of Management and Budget
The Deputy Secretary of State
The Director of Central Intelligence
The Chairman, Atomic Energy Commission
The Executive Director, Council on International Economic Policy

SUBJECT: Policy on the Development of Future Uranium
Enrichment Capacity

The President has directed that the issues associated with a shift to private ownership of part of our future uranium enrichment capacity be reexamined. The study should consider but not be limited to the following:

What is the outlook for private sector assumption of the enrichment business with present and prospective technologies?

What are the prospects for adequate production resources being developed to meet the long-term projected increasing demand for uranium enrichment facilities?

What governmental actions (and associated costs) would be required to facilitate private entry and to ensure future supply?

What would be the implications of private control of enrichment for U.S. foreign policy, trade and energy policies, domestic and international nuclear safeguards, and non-proliferation?

What are the costs and implications of the U.S. governmental commitments to worldwide supply, assurance of timely availability, and nondiscriminatory access? How can it be ensured that the private sector would meet and sustain such commitments, and what would be the foreign policy implications if these commitments were not met?

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What are the prospects and implications (for example, for trade benefits and proliferation) if private activity were to result in business arrangements abroad through which enriching technology becomes subject to transfer, sale or licensing?

Can satisfactory oversight of private industry be established and adequate mechanisms developed to facilitate the planning and long-range actions necessary to maintain the appropriate U.S. stockpile of enriched uranium?

What are the organizational alternatives to private assumption of enriching services? (Each alternative should include discussion of its legislative, cost, and budget implications, probable Congressional and utility reaction, and impact on the nuclear industry.)

Based on the above analysis and other relevant factors, the study should outline the policy options open to the President and their advantages and disadvantages.

This study should be carried out by an Ad Hoc Group comprised of representatives of the addressees and the NSC staff and chaired by the representative of the Atomic Energy Commission. The study should be conducted on a close-hold basis. It should be forwarded to the President for his consideration no later than October 1, 1974.


Henry A. Kissinger

cc: The Secretary of the Treasury
The Secretary of Commerce
Counsellor to the President for Economic Policy
The Administrator, Federal Energy Administration
The Chairman, Joint Chiefs of Staff

