3/19/79 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	Brzezinski to The President 2pp Sanitized version open 12/5/84	3/19/79	A
report	Review of the Safeguards at Low-Enriched Uranium Facilities... 6pages Sanitized version open 12/5/84	n.d.	A
memo	Brzezinski to The President one page Opened 10/31/85	2/1/79	A
memo	Carter to The Attorney General, The Secretary of Energy and Chairman, Nuclear Regulatory Commission one page Opened 10/31/85	2/1/79	A

3 pp. sanitized per RAC NLC-126-16-35-1-6

8/6/13

FILE LOCATION

Staff Secretary

3/19/79 [1] box 123

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att.	From Brzezinski to The President (32 pp.) re: Adequacy of Nuclear Safeguards	3/19/79	A

28 pages opened & Humized
1st created 12/19/94

FILE LOCATION
Carter Presidential Papers- Staff Offices, Office of the Staff Sec. -Pres. Handwriting File
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memo	Carter to The Attorney General, The Secretary of Energy and Chairman, Nuclear Regulatory Commission one page	2/1/79	A

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MEMORANDUM

~~SECRET~~ SECRET

THE WHITE HOUSE

~~SECRET~~ WASHINGTON

March 19, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI ZB for

SUBJECT: Adequacy of Nuclear Safeguards (U)

This package contains two separate actions on the same subject. The first is the required Annual Report on Domestic Safeguards (Tab A), forwarded by DOE pursuant to NSDM-254 (April, 1974). The second is the response from DOE, NRC and Justice (Tab B) to your request (Tab C) for a review of the adequacy of safeguards following the recent theft of low enriched uranium from a facility in North Carolina. This memorandum summarizes all the material at Tabs A and B which I recommend you not read. (S)

The DOE report in response to NSDM-254 is routine. It describes the current status of programs for SNM (Special Nuclear Material -- plutonium and any level of enrichment of uranium) and for SSNM (Strategic Special Nuclear Material -- threshold amounts of plutonium and high enriched uranium). The program covers fixed sites, transportation, and contingency planning for emergencies.

[redacted] Following the North Carolina incident, DOE reviewed its report and concluded that its evaluation remains valid: the protection of SSNM is adequate and effective. (S)

[redacted] (S)

The North Carolina theft involved low enriched uranium (SNM). In their responses to your memorandum, all three agencies agree that U.S. safeguards and security measures are pegged to the potential threat of the material in question, and that low enriched uranium is therefore properly accorded the lowest level of protection. (S)

~~SECRET~~ SECRET
Review on March 14, 1985

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E.O. 12356, Sec. 3.4
PER 8/23/95 NSC RE MR-NLC-92-96
BY MARS. DATE 10/30/95

In its response, the NRC notes that it is also considering a new rule to upgrade requirements for relatively low risk materials such as low enriched uranium. The rule would require controlled access areas for storage and use of the material, and the use of watchmen or an offsite response force to respond to intrusions. The proposed rule does not now contain requirements for establishing exit controls for areas that process or store low enriched uranium, but this is being reexamined in the light of the North Carolina theft. At the conclusion of its current rulemaking, the NRC will make a finding and recommend any additional measures it believes are needed for the protection of low enriched uranium. (S)

All three agencies are also in agreement that the recent theft demonstrates that the existing procedures for a coordinated USG response to a theft or intrusion are adequate and effective. The agencies involved are DOE, NRC and the FBI. (S)

The Department of Justice notes however that it is not satisfied with existing procedures for coordinated interagency action in response to a diversion of nuclear material from the United States to another country. The problem concerns coordination by the CIA with the other three agencies, and the difficulties of sharing sensitive intelligence (often involving human sources) with domestic agencies. As a first step toward resolving this, the Attorney General is directing the Interdepartmental Committee on Internal Security (ICIS) to study the problem and recommend a comprehensive plan for interagency coordination. (S)

I am satisfied that current procedures for the protection of nuclear material, combined with the NRC's review and upgrading of certain aspects of these procedures, give us an acceptable level of confidence in our ability to control these materials. My staff will monitor the Attorney General's efforts to develop more effective procedures for diversions involving foreign countries, and I will report to you as to whether satisfactory progress is being made. (S)

No Objection To Declassification 2008/06/23 : NLC-126-16-35-1-6

THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

February 28, 1979

CONFIDENTIAL

The President
The White House
Washington, D.C.

DOE review completed.

DOJ Review Completed.

State Dept. review completed

Dear Mr. President:

As I informed you in my letter of February 12, 1979, at the request of the Attorney General I am coordinating the Department's response to your inquiry concerning our capacity to deal with the theft or diversion of nuclear materials. Your inquiry was addressed also to the Department of Energy and the Nuclear Regulatory Commission, and we have discussed this question with them.

The successful and timely results achieved in the recent case involving the theft of low enriched uranium from a General Electric plant in Wilmington, North Carolina, would indicate that the existing procedures for a coordinated response to such a domestic nuclear threat situation are adequate. (I am attaching a summary prepared by the FBI relating how it responds to such cases). The Atomic Energy Act of 1954 places responsibility on the FBI for the investigation of the theft or diversion of nuclear materials and, under a memorandum of understanding between the Department of Energy and the FBI, a comprehensive plan currently exists for joint responses to nuclear threat situations. In addition, the FBI and the Nuclear Regulatory Commission are expected to execute an appropriate memorandum of understanding in early March, which will delineate their cooperative responsibilities in this area.

Our capacity to cope with a diversion of nuclear material from the United States to a foreign country is, however, equally important. While we believe that with regard to domestic nuclear threat situations our existing procedures are satisfactory, we are not satisfied that

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an adequate plan for coordinated interagency action regarding diversion of nuclear material from the United States now exists.

A recent GAO report entitled "Nuclear Diversion in the U.S.? Thirteen Years of Contradiction and Confusion," reviewed the investigation of the alleged diversion of nuclear materials from the Nuclear Materials and Equipment Corporation (NUMEC) plant in Pennsylvania to Israel in the 1960s, and recommended that DOE, NRC, CIA and Justice establish a plan for coordinated interagency action to detect and investigate the theft or diversion of nuclear material in the future.

25X6

We believe, therefore, that as regards diversions from the United States to foreign nations, the CIA's participation is essential, because it is the only agency of the government with the necessary capability to obtain information abroad.

We have accepted GAO's recommendation that this Department take the lead in establishing the interagency plan. As the initial step, the Attorney General is directing the Interdepartmental Committee on Internal Security (ICIS) to study the problem and develop a comprehensive plan, with the CIA and other responsible agencies, to deal with nuclear threat situations. The

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No Objection To Declassification 2008/06/23 : NLC-126-16-35-1-6

	25X1

Respectfully,

Benjamin R. Civiletti
Deputy Attorney General

Attachment

No Objection To Declassification 2008/06/23 : NLC-126-16-35-1-6

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THE WHITE HOUSE

WASHINGTON

February 1, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Zbigniew Brzezinski

SUBJECT: Review of Nuclear Materials Safeguards

There has been an apparent theft of some 66 kilograms of slightly enriched (2.6% - 2.8%) uranium oxide from a GE plant in Wilmington, North Carolina. The FBI believes it has identified the culprit, who is demanding $100,000. He has supplied two ~~vials~~ vials of this material.

We are working with the Nuclear Regulatory Commission to have them issue a press release putting this theft in perspective. The material is not hazardous unless ingested in large quantities and has no weapons applicability.

In addition, I strongly recommend that you direct the NRC, Energy and the Attorney General to review the adequacy of our existing domestic safeguards in light of this situation and provide recommendations on any upgrading necessary. A draft is at Tab A for your approval and signature.

Recommendation

That you sign the directive at Tab A

Approve ✓ Disapprove _____

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E.O. 12356, Sec. 3.4
PER 8/28/95 NSC RE NLC-92-96
BY NARS, DATE 10/30/95

Review on February 1, 1985 ~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM FOR

The Attorney General
The Secretary of Energy
Chairman, Nuclear Regulatory Commission

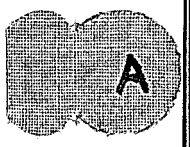
SUBJECT: Review of Nuclear Materials Safeguards

As a result of the recent incident concerning alleged theft of uranium oxide, you should review existing controls on nuclear material. This review should determine whether adequate means exist to prevent, detect promptly, and respond in a timely way to theft or diversion of nuclear material. Your report on this subject, including your recommendations for any actions that may be needed to upgrade safeguards, should reach me by February 28.

Jimmy Carter

~~CONFIDENTIAL~~
Review on February 1, 1985

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E.O. 12356, Sec. 3.4
PER 8/28/95 NSC/WHE MR-NLC-92-96
BY NARS, DATE 10/30/95


A

~~CONFIDENTIAL~~

0412

Department of Energy
Washington, D.C. 20585

January 15, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM SCHLESINGER

SUBJECT: Fourth Annual Report on Domestic Safeguards (U)

(C) Enclosed is the fourth Annual Report on Domestic Safeguards forwarded in response to the request in NSDM-254, Domestic Safeguards, April 27, 1974. This Annual Report describes progress, during FY 1978, in safeguarding special nuclear material under the jurisdiction of the Department of Energy and the Nuclear Regulatory Commission. The Report has been coordinated with the U.S. Nuclear Regulatory Commission.

(U) U.S. domestic safeguards and security are directed at preventing theft or diversion of special nuclear material. U.S. domestic safeguards also serve as a model and help to lead other sovereign states towards fulfillment of U.S. non-proliferation goals.

Classified by ~~CG-S-1~~ (Original Authority)

Derivative Classifier (Name and title)
F.P. MARTIN
Acting Chief
Plans & Analysis Br.
Office of Safeguards and Security

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E.O. 12356, Sec. 3.4
PER 5/6/93 DOE/RE MR-NLC-92-97
BY NARS, DATE 12/6/94

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December 15, 1978

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PER 5/6/83 DOE HQ RE MR-NLC-92-97
BY ____ NARS. DATE 12/6/94

ANNUAL REPORT

ON DOMESTIC SAFEGUARDS (U)

During the period

From October 1, 1977, through September 30, 1978

Classified by CG-S-1
(Original Authority)

Derivative Classifier
(Name and title)

F.P. Martin
Acting Chief
Plans & Analysis Branch
Office of Safeguards
& Security

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ANNUAL REPORT ON DOMESTIC SAFEGUARDS (U)

Introduction

(C) This fourth annual report, covering FY 1978, is a joint DOE-NRC response to the requirement of NSDM-254, issued April 27, 1974. Domestic nuclear safeguards are evaluated for special nuclear material (SNM)(1) under the jurisdiction of DOE and NRC with emphasis on those facilities which have a significant quantity of strategic special nuclear material (SSNM).(2) The safeguarding of SNM under the control of the Department of Defense is excluded.

The Effectiveness of Current Safeguards Systems

(U) Information available to DOE and NRC does not indicate the existence of a near-term threat of either theft of special nuclear material or sabotage

---

(1)
(U) Special nuclear material (SNM) means (1) plutonium, uranium-233, uranium enriched in the isotope 235, and any other material which, pursuant to the provisions of Section 51 of the Atomic Energy Act of 1954, as amended, has been determined to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material.

(2)
(U) "A significant quantity of strategic special nuclear material" is terminology used by the DOE and corresponds to "a formula quantity of strategic special nuclear material", the terminology used by NRC. Strategic special nuclear material (SSNM) is uranium-235 contained in uranium enriched 20% or more in the uranium-235 isotope or plutonium or uranium-233. Significant quantities of SSNM are equal to or more than the following threshold quantities of SSNM in one facility or one shipment:

a. Uranium-235 (contained in uranium enriched 20% or more in the uranium-235 isotope) alone, or in combination with plutonium and/or uranium-233 when (multiplying the plutonium and/or uranium-233 content by 2.5) the total is 5,000 grams or more.
b. Plutonium and/or uranium-233 when the plutonium and/or uranium-233 content is 2,000 grams or more.

Classified by CG-S-1
(Original Authority)

Derivative Classifier
(Name and title)
T.S. D'Agostino
Acting Assistant Director
for Plans & Policy
Office of Safeguards
& Security

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of nuclear facilities. Notwithstanding, in order to evaluate domestic safeguards systems capabilities to adequately protect against terrorist activities, a hypothetical benchmark threat has been established and is currently being utilized by both agencies in evaluating safeguards effectiveness. In essence, this threat is defined as a violent assault by up to several well-trained and well-equipped terrorists with the collaboration of one ideally placed insider.

A. Fixed Sites

(U) A priority program for continuous reviews of safeguards adequacy at NRC licensee and Government facilities which possess significant quantities of SSNM has been established by both agencies. In FY 1978 the DOE and NRC facility inspections included 4 enrichment plants, 13 fuel conversion and fabrication plants[3], 71 nuclear power plants[4], 4 production reactors, 4 SNM processing plants, 9 national R&D laboratories, 3 weapons production/test facilities, and 2 Naval prototype facilities. Safeguards deficiencies identified through field evaluations are required to be corrected in a timely manner.

(U) All the NRC-regulated fuel cycle facilities and all DOE facilities having like materials in like environments have been judged to have safeguards systems adequate to protect against several well-trained and well-equipped terrorists aided by an insider. DOE facilities with assembled weapons present have been judged to have safeguards systems adequate to protect against much higher threat levels. In achieving this, interim measures to improve safeguards have been taken by both agencies where urgent action was deemed necessary. Permanent safeguards improvements have been proposed for Government-operated facilities to replace such interim measures.

(U) For nuclear power plants, protective measures required by NRC in 10 CFR 73.55 are in the process of implementation by utilities operating nuclear power plants, although there have been a number of objections by the utilities, and requests for changes in the requirements. Complete implementation of the rule is scheduled for early CY 1979.

B. Transportation

(U) NRC and DOE both require a safeguards system for SNM in transit that provides effective protection against the benchmark threat. To ensure that the transportation safeguards systems remain effective, NRC

(3) Of these, 11 are regulated by NRC.
(4) All but one of these are regulated by NRC.

inspectors accompany each commercial shipment (10-20 shipments per year). Recently, an armored tractor-trailer rig carrying SSNM was hit by buckshot, but the shipment proceeded to its destination without incident. Similar incidents (related to non-nuclear shipments) have occurred and are believed to be connected with the strike by the Fraternal Association of Steel Haulers. DOE utilizes special safe-secure vehicles for both nuclear weapons and SSNM shipments. DOE shipments are escorted by highly trained and heavily armed Federal couriers.

(U) With respect to air transportation of SSNM and at NRC's request, the Department of Defense has provided the National Security Council with their recommendations concerning possible use of military airfields for transport of special nuclear materials. This report acknowledges that such facilities could be used but questions the necessity of utilizing military airfields. The NRC recently indicated to the NSC their concerns as to the adequacy of the report.

C. Contingency Planning and Procedures for Nuclear Emergencies

(U) Both NRC and DOE have an operational capability to deal effectively with nuclear emergencies that might develop through terrorist activity. Effort is continuing by both agencies to improve this capability to evaluate and respond to such threats.

(U) The process of submittal of formal contingency plans for NRC-licensed fuel cycle facilities and power reactors will be completed by mid FY 1979, and fully approved contingency plans for all NRC licensees will be in effect by late CY 1979.

(U) All facilities under the jurisdiction of DOE have approved contingency plans in effect.

Program Development Toward Higher Levels of Safeguards Protection

(C) [redacted]

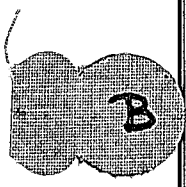
(U) As a result of safeguards improvements undertaken in connection with the safeguards upgrading program begun in 1976, some DOE facilities already have safeguards capabilities which provide adequate protection against the higher level threat mentioned above. Most of the major planned safeguards capital improvements at Government sites, initiated with

prior year funds, will be completed by mid 1981. FY 1980 budget constraints may delay DOE implementation of the final phases of this ongoing program. If so, interim measures, largely involving more intensive use of guards, will remain in effect at some facilities. New DOE Orders about to be issued are consistent with protection required to counter this higher level threat.

(U) As a result of public comment on the proposed NRC physical security upgrade rule for fuel cycle facilities and transportation, published in July 1977. NRC revised its proposed rule in August 1978 and reissued it for comment. This rule, scheduled to become effective in FY 1979, requires an increased level of protection, consistent with the higher benchmark threat, both for fuel cycle facilities and transportation systems. A new rule requiring intensified guard training at NRC-regulated facilities will become effective in FY 1979. Adoption by the Commission of the proposed upgrade rule will follow publication for public comment of staff guidance and review of these comments and any revisions to the rule which are necessary. NRC staff guidance is expected to be available for comment in January 1979.

Support of the Nuclear Non-Proliferation Act of 1978

(U) The program established in 1974 to determine that foreign countries have an effective physical protection system for U.S.-supplied SNM is continuing. The Nuclear Non-Proliferation Act of 1978 requires a determination of the adequacy of physical security prior to approval of nuclear exports. DOE has the major role in formulating the executive branch recommendations to NRC concerning the adequacy of physical security. This judgment (made in consultation with ACDA and State) is normally reached on a country-wide basis, taking into account accepted international recommendations, through visits by teams of experts to a number of representative facilities in each country. Forty countries have been visited to date. Visits are normally followed up by joint bilateral technical discussions held in the United States. These discussions aid in the transfer of physical protection technology to countries receiving U.S.-origin SNM and acquaint them with the U.S. application of physical protection measures in its safeguards systems. Discussions have been held with representatives from 22 countries, and invitations have been extended to 18 others.


B

Department of Energy
Washington, D.C. 20585

March 7, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM SCHLESINGER

SUBJECT: Review of Nuclear Materials Safeguards

DOE has reviewed existing controls on nuclear material as requested in your February 1, 1979 letter. Our approach continues to be to provide levels of protection which are consistent with the potential risk to national security or public health and safety arising from successful malevolent acts. To this end, significant quantities of high enriched uranium and plutonium and highly classified work receive the highest levels of physical protection, material control, and accountability. We have re-examined the Fourth Annual (joint NRC/DOE) Report on the effectiveness of domestic safeguards, which was forwarded to you on January 15, 1979. The evaluation in that report remains valid; the protection of these strategic special nuclear materials is adequate and effective. Low enriched uranium was not covered in this report. (C)

Most of the DOE facilities where low enriched uranium is located are also sites where high-level physical protection systems already exist to protect high enriched uranium and plutonium or highly classified work. At the three DOE enrichment facilities where most of the low enriched uranium is produced, the physical, chemical, and package form of the low enriched uranium is not easily removable. A Department Order has been developed which will require physical protection measures for low enriched uranium. To reflect the relative hazards of different enrichments, these measures will be less rigorous than for high enriched uranium and plutonium, but will provide an adequate and effective protection system for low enriched material. My staff has arranged to expedite the publication and enforcement of that Order within the next few weeks. (U)

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ER 5/6/93 DOE letter MR-NLC-92-97
BY [illegible] NARA DATE 12/6/94

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THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

February 12, 1979

~~CONFIDENTIAL~~

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

The Attorney General has asked me to coordinate the Department's response to your inquiry concerning our capacity to deal with the theft or diversion of nuclear materials.

We will discuss this question with the Department of Energy and the Nuclear Regulatory Commission and transmit a report to you by February 28.

Respectfully,

Benjamin R. Civiletti
Deputy Attorney General

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PER 9/28/94 DOJ letter NND-NLC-92-98
BY [illegible] NARS, DATE 12/16/94

THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

February 28, 1979

~~CONFIDENTIAL~~

The President
The White House
Washington, D.C.

Dear Mr. President:

As I informed you in my letter of February 12, 1979, at the request of the Attorney General I am coordinating the Department's response to your inquiry concerning our capacity to deal with the theft or diversion of nuclear materials. Your inquiry was addressed also to the Department of Energy and the Nuclear Regulatory Commission, and we have discussed this question with them.

The successful and timely results achieved in the recent case involving the theft of low enriched uranium from a General Electric plant in Wilmington, North Carolina, would indicate that the existing procedures for a coordinated response to such a domestic nuclear threat situation are adequate. (I am attaching a summary prepared by the FBI relating how it responds to such cases). The Atomic Energy Act of 1954 places responsibility on the FBI for the investigation of the theft or diversion of nuclear materials and, under a memorandum of understanding between the Department of Energy and the FBI, a comprehensive plan currently exists for joint responses to nuclear threat situations. In addition, the FBI and the Nuclear Regulatory Commission are expected to execute an appropriate memorandum of understanding in early March, which will delineate their cooperative responsibilities in this area.

[redacted]

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PER 9/23/94 DOJ Ltr RE MR-NLC-92-98
BY [signature] NARS. DATE 12/6/94

[redacted]

A recent GAO report entitled "Nuclear Diversion in the U.S.? Thirteen Years of Contradiction and Confusion," reviewed the investigation of the alleged diversion of nuclear materials from the Nuclear Materials and Equipment Corporation (NUMEC) plant in Pennsylvania to Israel in the 1960s, and recommended that DOE, NRC, CIA and Justice establish a plan for coordinated interagency action to detect and investigate the theft or diversion of nuclear material in the future.

In the NUMEC matter, it is alleged that some 200 pounds of enriched uranium were diverted to Israel and that as a result Israel acquired nuclear weapons capability. No conclusive evidence has yet been developed to establish the truth of the allegation, but our current investigation, which was reopened in 1976 at the direction of President Ford, has caused us to conclude that the CIA had information [redacted] which it did not make available to the FBI. No formal agreement regarding the dissemination of such information between the CIA and other government agencies currently exists.

We believe, therefore, that as regards diversions from the United States to foreign nations, the CIA's participation is essential, because it is the only agency of the government with the necessary capability to obtain information abroad.

We have accepted GAO's recommendation that this Department take the lead in establishing the interagency plan. As the initial step, the Attorney General is directing the Interdepartmental Committee on Internal Security (ICIS) to study the problem and develop a comprehensive plan, with the CIA and other responsible agencies, to deal with nuclear threat situations. The

ICIS will include in its study a review of the provisions of NSDM 312, "Nuclear Weapons Recovery Policy," dated November 1, 1975, which pertains to the recovery of nuclear weapons, components or devices, stolen from United States custody.

Respectfully,

Benjamin R. Civiletti
Deputy Attorney General

Attachment

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

CHAIRMAN

February 28, 1979

The President
The White House
Washington, DC 20500

Dear Mr. President:

In your memorandum of February 1, 1979 regarding a recent theft of low-enriched uranium oxide from a licensed plant, you requested that we review our existing controls over nuclear materials and provide you with our recommendations for any measures that might be required to upgrade safeguards.

The enclosed report discusses a number of considerations related to the recent theft.

NRC rules and regulations to safeguard special nuclear material are based on the potential threat to the public health and safety and the national interest. Significant quantities of highly enriched uranium and plutonium, which could be used directly to fabricate a crude fission explosive are afforded the strictest safeguards, while a lower level of safeguards are applied to low-enriched uranium. Safeguards to protect highly enriched uranium and plutonium include measures to repel armed assaults, controls to prevent diversion by employees and stringent material control and accounting procedures.

For some time we have been reexamining requirements for the protection of nuclear materials. As a result, we now have two important rules which are nearing publication. One of these rules would significantly upgrade present programs for the protection of licensed high-enriched uranium and plutonium. This includes the following:

- Increased level of protection required against theft or sabotage of weapons-usable materials by increasing the level of postulated external and internal threats (including conspiracies);

- Increased number of security personnel at fuel facilities, along with improved training and equipment;

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PER 5/13/92 NRC LTR MR-NLC-92-99
BY NARS, DATE 12/6/94

- Upgraded access controls, physical barriers, communications, detection and alarm equipment at fuel facilities; and

- Enhanced protection for nuclear shipments to require additional guards and escort vehicles, along with improved communications.

The other rule would upgrade requirements for materials of less strategic importance such as low-enriched uranium. Among the requirements proposed in the new rule are:

- Storage or use of the material only within a controlled access area which is monitored to detect unauthorized intrusions.

- Use of watchmen or offsite response force to respond to unauthorized intrusion or activities.

- Establishment of response procedures for dealing with threats or thefts of special nuclear material.

This proposed rule does not now contain specific requirements for establishing exit controls for areas that process or store low enriched uranium. We are therefore reexamining this aspect of the proposed rule in light of this incident.

The NRC has developed contingency plans for responding in a timely way to any theft or diversion of licensed nuclear material. The lead agency for an investigation into the criminal aspects of such an act is the FBI, with NRC providing technical support as appropriate. In the instance of this recent theft, the NRC Incident Response Program worked quite well and the coordination between the FBI, DOE, and NRC proved to be effective.

We believe that the rulemaking to upgrade HEU and plutonium safeguards will improve our ability to prevent, detect promptly and respond to the theft or diversion of nuclear material. Our recommendation with regard to any measures that might be needed to upgrade safeguards to protect low enriched uranium is to proceed with our current rulemaking, with such modifications as our review of the recent incident indicates are appropriate. We intend to maintain and improve our capability for coordinated response with the FBI and DOE to any theft or diversion threats. In this regard we are about to conclude a Memorandum of Understanding with the FBI to clearly delineate our responsibilities in the event of an incident.

Our ongoing inspection and evaluation programs are designed to assure the maintenance of adequate safeguards at our licensed facilities. Please be assured that we will continue to examine this important area of our responsibilities.

Sincerely,

Joseph M. Hendrie

Enclosure: Report - Review
of Safeguards at Low-Enriched
Uranium Facilities

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E.O. 12356, Sec. 3.4
PER 3/6/93 DOE HQ RE MR-NLL-92-97
BY [signature] NARS, DATE 12/6/93

Department of Energy
Washington, D.C. 20585

March 7, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM SCHLESINGER

SUBJECT: Review of Nuclear Materials Safeguards

DOE has reviewed existing controls on nuclear material as requested in your February 1, 1979 letter. Our approach continues to be to provide levels of protection which are consistent with the potential risk to national security or public health and safety arising from successful malevolent acts. To this end, significant quantities of high enriched uranium and plutonium and highly classified work receive the highest levels of physical protection, material control, and accountability. We have re-examined the Fourth Annual (joint NRC/DOE) Report on the effectiveness of domestic safeguards, which was forwarded to you on January 15, 1979. The evaluation in that report remains valid; the protection of these strategic special nuclear materials is adequate and effective. Low enriched uranium was not covered in this report. (C)

Most of the DOE facilities where low enriched uranium is located are also sites where high-level physical protection systems already exist to protect high enriched uranium and plutonium or highly classified work. At the three DOE enrichment facilities where most of the low enriched uranium is produced, the physical, chemical, and package form of the low enriched uranium is not easily removable. A Department Order has been developed which will require physical protection measures for low enriched uranium. To reflect the relative hazards of different enrichments, these measures will be less rigorous than for high enriched uranium and plutonium, but will provide an adequate and effective protection system for low enriched material. My staff has arranged to expedite the publication and enforcement of that Order within the next few weeks. (U)

Classified by White House ltr of 2/1/79
(Origin l Authority)

NATIONAL SECURITY INFORMATION
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DECLASSIFIED
E.O. 12356, Sec. 3.4
PER 5/6/93 DOE ltr RE MR-NLL-92-97
BY [signature] NARS, DATE 12/6/93

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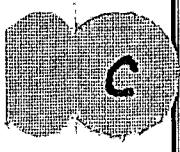
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C

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	Brzezinski to The President 2pp	3/19/79	A
report	Review of the Safeguards at Low-Enriched Uranium Facilities... 6pages	n.d.	A
memo	Brzezinski to The President one page	2/1/79	A
memo	Carter to The Attorney General, The Secretary of Energy and Chairman, Nuclear Regulatory Commission one page	2/1/79	A

FILE LOCATION
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ID 790843 THE WHITE HOUSE

status 2.

WASHINGTON

DATE: 01 MAR 79

FOR ACTION:

~~CONFIDENTIAL~~

Summary

INFO ONLY: ZBIG BRZEZINSKI

3/20 - NSC delay re status
3/21 NC

SUBJECT: CIVILETTI LETTER RE NUCLEAR MATERIAL SAFEGUARDS

NSC waiting for POE comments

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)
BY:

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Convention
Brz memo re
Nuclear Safeguards

DECLASSIFIED
E.O. 12356, SEC. 3.4(b)
WHITE HOUSE GUIDELINES, FEB. 24, 1983
BY NARS, DATE 12/6/94

THE WHITE HOUSE
WASHINGTON

3/1 6:00

Rick -

FYI Jessica Mathews from NSC called re: memo on Theft and Nuclear material (due tomorrow 9:00). There seems to be 2 problems

1) In it there should be 3 agency responses because NSC sent memo requesting these - Justice, NRC + DOE.

Doc's is missing

2) It doesn't say who has action - only Zbig for information. She said NSC should have action but didn't see the need for a 9:00 response tomorrow. She won't be in at all tom. but is the one responsible for comment.

Thanks.

THE WHITE HOUSE
WASHINGTON

3/1/79

TO: RICK HUTCHESON

For Your Information: _____

For Appropriate Handling: X

Rick - Talked by
gave 2B / no Copy
w/ AG memo

Robert D. Linder

REVIEW OF THE SAFEGUARDS AT LOW-ENRICHED URANIUM FACILITIES AS THEY MAY BE AFFECTED BY THE RECENT GE WILMINGTON INCIDENT

SANITIZED
E.O. 12356, Sec. 3.4
PER 5/13/92 NRC Ltr re MR-NLC-92-99
BY _____ NARS. DATE 5/14/92

TABLE OF CONTENTS

I. Introduction

II. Potential Hazards of Low-Enriched Uranium

III. Existing Safeguards Requirements

IV. Material Control and Accounting System at GE Wilmington

V. Physical Protection Program at GE Wilmington

VI. Response to Safeguards Contingencies

VII. Proposed Rule for the Physical Protection of Low-Enriched Uranium

I. INTRODUCTION

On January 29, 1979, at 11:43 am, the NRC was notified by telephone by the General Manager of the General Electric Company, Wilmington, North Carolina, plant, that an extortion letter and a sample of uranium oxide (UO_2) powder were found at his office door when he came to work about 8:30 am. The letter stated that the writer had in his possession two 5-gallon containers of UO_2 powder which he had taken from the plant. The containers were identified in the letter by their serial numbers and gross weight. The letter further stated that enough UO_2 had been removed from one of the containers to furnish samples to newspaper editors, senators, anti-nuclear group leaders and others if his demand for $100,000 in cash was not met by February 1. After delivery of the samples and if he still had not received the money, the contents of the two containers would then be dispersed through one or more unnamed large American cities.

The FBI and DOE were notified and after an intensive 3-day investigation, the FBI, on February 1, 1979, arrested a suspect. The stolen material (about 62 kgs) was recovered the same day in a ditch about 3 miles from the plant.

The material, which was determined to be an oxide of uranium enriched to 2.6 percent in the U-235 isotope, had been removed by a plant worker late in the evening of January 26, 1979. The worker returned to the plant early in the morning on January 29, 1979 and placed the letter and the sample of material near the office of the plant manager.

The NRC is aware of the mode of removal of the material from the facility. The implications for upgraded safeguards requirements which arise because of this incident are being examined (see Section VII).

II. POTENTIAL HAZARDS OF LOW-ENRICHED URANIUM (LEU)

Uranium enriched to 2.6 percent in the U-235 isotope, such as was involved in the GE Wilmington theft, has a very low potential for misuse and even in extreme cases presents only a minimal health hazard. Relative to the 62 kgs taken from the facility it can be stated that:

a) The material could not be used directly to fabricate a fission explosive. It is not possible to make a fission explosive with material of this enrichment, regardless of quantity.

b) This amount of material could not be used to produce any nuclear reaction. The minimum amount of uranium of this enrichment needed to produce a critical assembly under optimal conditions is about 95 kgs. A far greater amount would be required for a reactor intended to produce sufficient plutonium for a crude fission explosive.

c) The material is biologically nonhazardous except when taken into the body through ingestion or inhalation, and then only slightly so. It would require ingestion of more than a pound of LEU or exposure for many minutes in a cloud of powdered material before the radiological effects become biologically significant.

d) The material is insoluble in water and could not be used to poison a water supply.

III. EXISTING SAFEGUARDS REQUIREMENTS

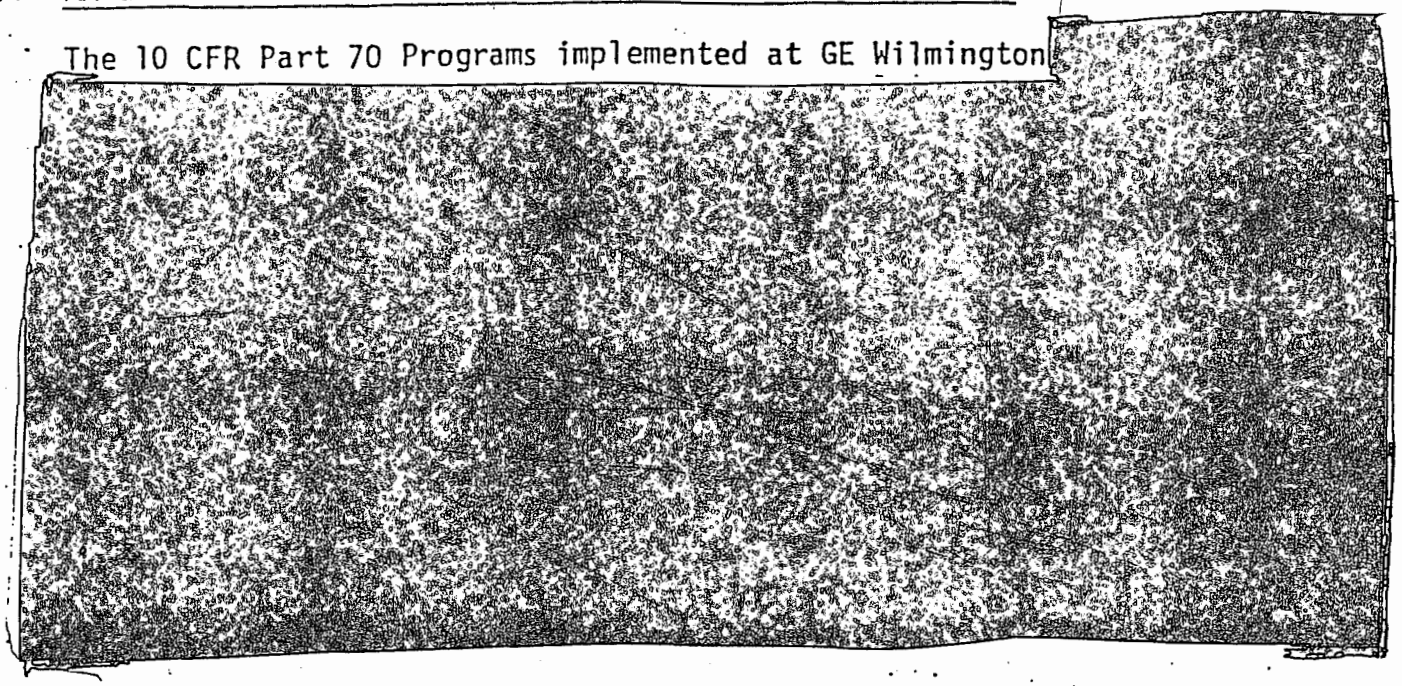
In the development of rules and regulations to safeguard special nuclear material, NRC requirements have been graduated based on the potential threat to the public health and safety or the national interest. Materials that could be directly used to fabricate a crude fission explosive, such as significant quantities of highly enriched uranium and plutonium, are afforded the strictest safeguards which include measures to repel armed assaults, controls to prevent diversion by employees and stringent material control and accounting procedures. Materials that present only a minimal health hazard to the public, such as low-enriched uranium, are afforded a correspondingly lower level of safeguards.

Present safeguards requirements for LEU facilities are limited to the material control and accounting regulations contained in 10 CFR Part 70. The accountability requirements applicable to LEU facilities consist of two basic programs: (1) A system of accounting which includes complete, measured physical inventories conducted on a semi-annual basis, accurate measurement of all plant receipts and shipments, and material balances drawn to the nearest gram; and (2) a system of internal controls which define management responsibilities, specify approved areas for uranium location, require records and reports of material status by container or processing area, include rules governing the authorized transfer of material, and which involve reviews and audits of the accounting and control system by plant management. All of these accounting and control systems are described in detail in a Fundamental Nuclear Material Control Plan reviewed by the NRC. The semi-annual, measured material balances provide the capability to detect the theft of large amounts of uranium, while the internal control system provides the ability to detect the theft of any individual container within the same period.

There are no existing requirements at LEU facilities for the physical protection of the material against theft or diversion. However, a proposed rule specifying requirements for the physical protection of LEU is pending (see Section VII).

IV. MATERIAL CONTROL AND ACCOUNTING SYSTEM - GE WILMINGTON

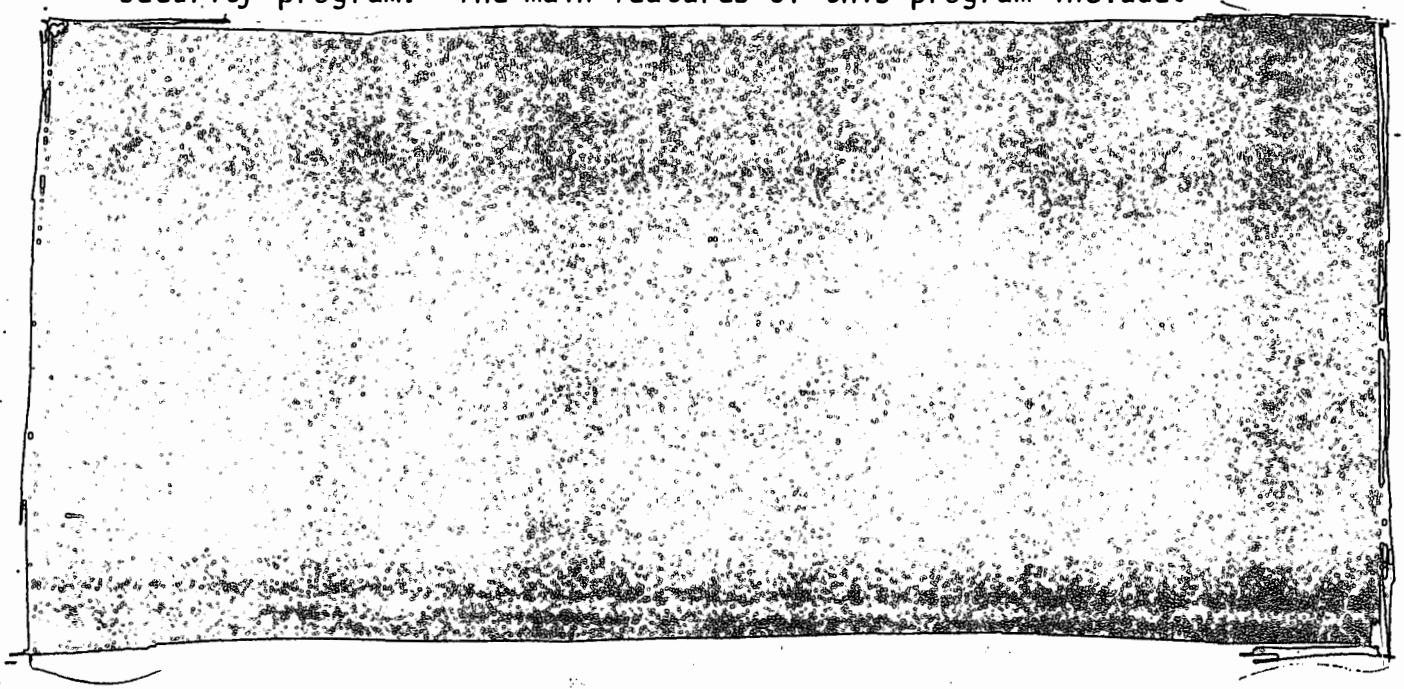
The 10 CFR Part 70 Programs implemented at GE Wilmington

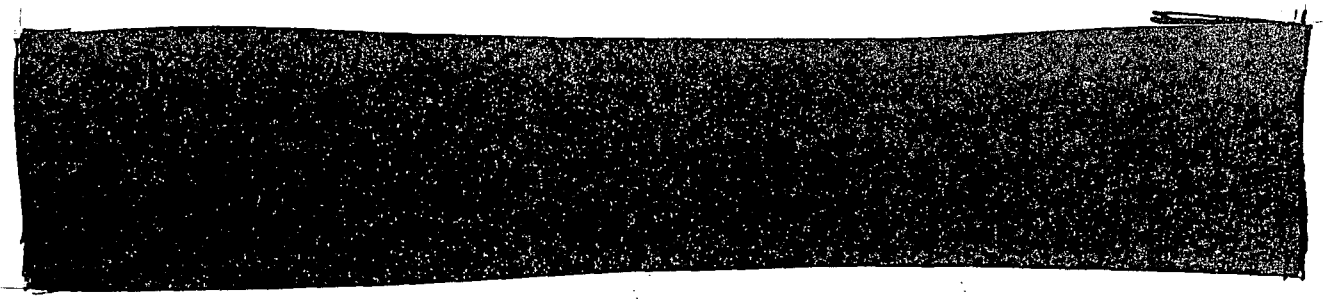


The NRC has not identified any required changes to the GE material control and accounting system.

V. PHYSICAL PROTECTION PROGRAM AT GE WILMINGTON

Although there are no NRC requirements for the physical protection of LEU at GE Wilmington, this licensee does have an on-going industrial security program. The main features of this program include:





VI. RESPONSE TO SAFEGUARDS CONTINGENCIES

The NRC has developed a capability to respond to incidents including those involving thefts or diversion of special nuclear material. The NRC does not have personnel or equipment resources for onsite response to manage or control an incident. Rather, through preplanning NRC has established understandings with other agencies to assure resources are available. NRC has a prime role of notification, assessment, and resource identification. It fulfills this role through an incident response program that is activated according to preplanned procedures.

For incidents involving theft or diversion of special nuclear material, DOE and the FBI are the principal Federal resource agencies with whom NRC interfaces. The FBI, which is the lead agency in criminal cases, directed the investigation in the recent theft at GE Wilmington. The NRC, in conjunction with DOE, provided assessment of the potential radiological hazard. DOE provided technical equipment and personnel to assist the FBI in the search for the stolen material.

VII. PROPOSED RULE FOR THE PHYSICAL PROTECTION OF LOW-ENRICHED URANIUM

The Commission presently has under consideration a proposed rule for the physical protection of special nuclear materials of low strategic significance which includes low-enriched uranium. This rule has been published for public comment and is now being considered for publication in final form. The requirements contained in this rule include:

-- Storage or use of the material only within a controlled access area which is monitored to detect unauthorized intrusions.

-- Use of watchmen or offsite response force to respond to unauthorized intrusion or activities.

-- Establishment of response procedures for dealing with threats or thefts of special nuclear material.

This proposed rule does not now contain specific requirements for establishing exit controls for areas that process or store LEU. The staff is therefore reexaming this aspect of the proposed rule in light of this incident.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

CHAIRMAN

February 28, 1979

RF

The President
The White House
Washington, DC 20500

Dear Mr. President:

In your memorandum of February 1, 1979 regarding a recent theft of low-enriched uranium oxide from a licensed plant, you requested that we review our existing controls over nuclear materials and provide you with our recommendations for any measures that might be required to upgrade safeguards.

The enclosed report discusses a number of considerations related to the recent theft.

NRC rules and regulations to safeguard special nuclear material are based on the potential threat to the public health and safety and the national interest. Significant quantities of highly enriched uranium and plutonium, which could be used directly to fabricate a crude fission explosive are afforded the strictest safeguards, while a lower level of safeguards are applied to low-enriched uranium. Safeguards to protect highly enriched uranium and plutonium include measures to repel armed assaults, controls to prevent diversion by employees and stringent material control and accounting procedures.

For some time we have been reexamining requirements for the protection of nuclear materials. As a result, we now have two important rules which are nearing publication. One of these rules would significantly upgrade present programs for the protection of licensed high-enriched uranium and plutonium. This includes the following:

- Increased level of protection required against theft or sabotage of weapons-usable materials by increasing the level of postulated external and internal threats (including conspiracies);

- Increased number of security personnel at fuel facilities, along with improved training and equipment;

- Upgraded access controls, physical barriers, communications, detection and alarm equipment at fuel facilities; and

- Enhanced protection for nuclear shipments to require additional guards and escort vehicles, along with improved communications.

The other rule would upgrade requirements for materials of less strategic importance such as low-enriched uranium. Among the requirements proposed in the new rule are:

- Storage or use of the material only within a controlled access area which is monitored to detect unauthorized intrusions.

- Use of watchmen or offsite response force to respond to unauthorized intrusion or activities.

- Establishment of response procedures for dealing with threats or thefts of special nuclear material.

This proposed rule does not now contain specific requirements for establishing exit controls for areas that process or store low enriched uranium. We are therefore reexamining this aspect of the proposed rule in light of this incident.

The NRC has developed contingency plans for responding in a timely way to any theft or diversion of licensed nuclear material. The lead agency for an investigation into the criminal aspects of such an act is the FBI, with NRC providing technical support as appropriate. In the instance of this recent theft, the NRC Incident Response Program worked quite well and the coordination between the FBI, DOE, and NRC proved to be effective.

We believe that the rulemaking to upgrade HEU and plutonium safeguards will improve our ability to prevent, detect promptly and respond to the theft or diversion of nuclear material. Our recommendation with regard to any measures that might be needed to upgrade safeguards to protect low enriched uranium is to proceed with our current rulemaking, with such modifications as our review of the recent incident indicates are appropriate. We intend to maintain and improve our capability for coordinated response with the FBI and DOE to any theft or diversion threats. In this regard we are about to conclude a Memorandum of Understanding with the FBI to clearly delineate our responsibilities in the event of an incident.

Our ongoing inspection and evaluation programs are designed to assure the maintenance of adequate safeguards at our licensed facilities. Please be assured that we will continue to examine this important area of our responsibilities.

Sincerely,

Joseph M. Hendrie

Enclosure: Report - Review
of Safeguards at Low-Enriched
Uranium Facilities

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COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 19, 1979

CHARLES L. SCHULTZE, CHAIRMAN
LYLE E. GRAMLEY
WILLIAM D. NORDHAUS

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Lyle E. Gramley

Subject: Revised Estimate of GNP Growth in the Fourth Quarter

Tomorrow (Tuesday, March 20) at 10:30 A.M., the Commerce Department will release a revised estimate of GNP growth in the fourth quarter of 1978. Real GNP last quarter is now estimated to have risen 6.9 percent at an annual rate (compared with the earlier estimate of 6.4 percent). The upward revision was mainly in business fixed investment; those outlays, in real terms, rose at a 9.3 percent annual rate in the fourth quarter, and by 9.4 percent over the four quarters of last year.

This report contains the first estimate of corporate profits in the fourth quarter. As we suspected, corporate profits rose very sharply; profits after taxes in the fourth quarter were 25 percent above year-earlier levels.

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for Preservation Purposes

3:20 PM

THE WHITE HOUSE

WASHINGTON

March 19, 1979

Meeting with Peter Kelly

Oval Office 3:20 p.m. (5")

by: Tim Kraft

I. PURPOSE: Brief greeting with Treasurer-designate, D.N.C.

II. PARTICIPANTS, BACKGROUND, PRESS:

A. PARTICIPANTS: Peter Kelly, Treasurer-designate, D.N.C.
Evan Dobelle, Treasurer, D.N.C.
John C. White, Chairman, D.N.C.
Tim Kraft, Assistant to the President

B. BACKGROUND: Peter Kelly will soon replace Evan Dobelle as Treasurer of the Democratic National Committee. A very early supporter, Peter is an attorney from Hartford who served as a buffer between Nick Carbone and Governor Grasso during their times of strife in '76.

Grasso had, at one time, considered trying to help elect Peter the State Party Chair in '76. He is a member of the National Finance Council, as well as the Compliance Review Committee for the 1980 Convention; he is well respected throught the financial and political communities.

C. PRESS: None/ White House Photo

III. TALKING POINTS: Welcome Peter to Washington - encourage him to continue to work closely with Tim, John, and Evan.

He was a member of the Friendship Force which went to Israel last year (we have submitted his name for an invitation to a signing ceremony for the Peace Treaty).

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for Preservation Purposes

3:30 PM

THE WHITE HOUSE

WASHINGTON

March 19, 1979

DROPBY AT RECEPTION FOR THE RECORDING INDUSTRY OF AMERICA

Tuesday, March 20, 1979
3:30 P.M. (15 minutes)
Residence (East Room)

From: Tom Beard TB

I. Purpose

To greet members of the RIAA who are in Washington to attend the Eleventh Annual RIAA Cultural Awards Banquet.

II. Background, Participants, and Press Plan

A. Background: A great deal of the RIAA members were among the earliest Carter Campaign supporters in 1976. Most of the members are very active politically and almost all of them are Democrats.

B. Participants: Many early and close friends will be among this group. Included will be Phil Walden, Joe Smith, Jerry Moss, Clarence Avant, and Stan Gortikoff.

C. Press Plan: White House Photographer

III. Talking Points: Attached.

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for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

March 19, 1979

MEMORANDUM TO THE PRESIDENT

FROM: BERNIE ARONSON, ACHSAH NESMITH

SUBJECT: Recording Industry Association of America
Drop-by, Tuesday, March 20, 1979

President Stanley Gortikov (Gor-ti-coff), Chairman Jerry Moss, ladies and gentlemen:

1. I'm happy to welcome the RIA here to the White House tonight. I've known some of you for a long time -- you've stuck by me when the charts were up and down, and I appreciate your help and friendship. The sound recording is a vital means of communication in the world today, and the United States is the principal creator and producer of much of the sound recording of the world. I know the men and women here tonight are a major factor in that supremacy.

2. Because of the importance of recordings to me personally, and to the country, I have always been sympathetic with the need of your industry to have protection from record pirates. We passed a model law against record piracy when I was governor of Georgia. I know that the hit records help make possible the records that appeal to much smaller audiences, as well as the special funds that help sick and elderly and unemployed artists, and pay for many free concerts at schools, veterans hospitals and nursing homes. Often those who buy pirated records are robbed most of all -- because the quality of the sound they get is usually inferior.

3. It's good to see Beverly Sills, my dancing partner, here tonight, among all you executives. I understand she is to receive an award from the Recording Industry Association at your dinner later tonight, and I must congratulate you on your choice. She has made opera come alive for many who had never before discovered its pleasures, while thrilling its lifelong fans with her magnificent voice and her exciting interpretations.

4. I'm also glad Chet Atkins made it back here for the reception tonight. He was in Lorraine, Ohio, with

Rosalynn for a surprise appearance last night. She had originally planned to be with you here tonight, but when we went to Egypt and Israel last week she had to postpone her trip to Ohio and other states, so she is completing it now.

Chet, as you all know, worked with another Carter family a little earlier in his career. Chet is not only one of the best guitar players in country music, but has a remarkable talent for putting together the right artist with the right song.

5. These two artists -- diverse in their style and methods as they are -- symbolize much of what makes the American recording industry so important to our lives and to the world.

Recordings have made it possible for everyone all over this big country and the world to hear great music -- whether it is great country guitar playing, such as Chet Atkins does, or classical guitar -- such as Andres Segovia played last week when he was here and unfortunately I was not. They can give us Shakespeare or radio comedy of the 1930s, opera, or jazz, soul music or symphonies.

I have enjoyed classical music for many years, but much of that time I was aboard ships and submarines, or at home in Plains, Georgia, where recordings were almost the only way to listen to music. Most of the time I have spent with music has had to be through recordings. I think this is true of a great many Americans, who rarely, if ever, would have the opportunity to hear their favorite artists without records and tapes.

Recordings whet our appetites for live performances and let us relive great experiences, savor special moments over and over again. Recordings allow us to hear those we might never be able to see, not only the great performers and musicians of the past and present, but the great figures of history as well.

#

NOTE: One issue you probably will not want to touch on directly but should keep in mind, since they may listen to your remarks hoping to get hints of your position on, is performance rights. Currently most advanced nations grant performers rights similar to those songwriters have that require payment for playing recordings of their work for broadcast or other public use. The United States does not.

The broadcasting industry, to which you will speak this weekend, opposes performance rights, contending that the recording industry lives on the free publicity they get from stations. The record people insist their main concern is the future, when the primary means for getting music in the home is something other than discs and tapes, some system they fear will pay them nothing for the repetition of their performances

# # #

8:00 AM

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

March 19, 1979

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, March 20, 1979
8:00 a.m.
Family Dining Room

From: Frank Moore

I. INTRODUCTION

The Leadership will want to know about the Camp David meeting. You should use this opportunity to listen to their major domestic concerns.

After a review of the Camp David meeting in as much detail as you feel is appropriate, you should invite the Members' opinions on oil pricing and mandatory energy conservation measures. You should also solicit their thoughts on the fight against inflation (the Speaker continues to favor mandatory price controls).

II. PRESS PLAN

White House photographer.

III. PARTICIPANTS

See attached list.

IV. AGENDA

1. Camp David Meeting

You should give a general report on yesterday's Camp David meeting, concluding with a request for their thoughts. Avoid specific proposals discussed at Camp David.

2. Mid-East Treaty Signing Ceremonies

Some Members are very concerned about the cost of the Mid-East Treaty. If it comes up, you should remind them of the Israelis' past performance with numbers and reassure them.

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3. SALT II

Senator Cranston may raise questions about the SALT Treaty. If agreement on SALT seems imminent, you may want to mention this. Otherwise, I wouldn't mention it unless he does.

4. Hospital Cost Containment

This issue will begin heating-up. The Senate Finance Committee begins mark-up of HCC on Thursday. You should ask the Members (particularly Senator Byrd) to support and fight for the bill.

5. SBA Reauthorization (H.R. 90)

The bill as reported by Neal Smith's Small Business Committee has a number of similarities with the bill you vetoed last year. You should ask the Speaker for his help. (The bill probably won't come to the floor until next week -- so there is time to settle on a workable strategy).

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, March 20, 1979

PARTICIPANTS

The President
The Vice President

Senator Robert C. Byrd
Senator Alan Cranston
Senator Warren Magnuson
Senator Daniel Inouye

Speaker Thomas P. O'Neill, Jr.
Congressman James Wright
Congressman John Brademas
Congressman Thomas Foley
Congressman Dan Rostenkowski
Congresswoman Shirley Chisholm

Chairman John White
Zbig Brzezinski
Jody Powell
Jim McIntyre
Bill Cable
Dan Tate
Jim Free
Bob Thomson
Bob Beckel
Bill Smith

Mr. President:

Personal business has demanded my presence in Georgia for the day. I have given you a separate memo with more detail of my whereabouts.

Frank Moore