

National Security Council Meeting
September 29, 1987, 2:00 p.m. -- 2:55 p.m., Cabinet Room

SUBJECT: U.S. Special Nuclear Materials Production (U)

44950

PARTICIPANTS:

The President

State:

Mr. John Whitehead
Mr. H. Allen Holmes

White House:

Senator Howard Baker
Mr. Frank C. Carlucci
LG Colin L. Powell
Mr. William Cockell
Captain Linton Brooks
Colonel Robert Linhard

Defense:

Secretary Caspar Weinberger
Mr. Robert Barker

Justice:

Mr. Arnold Burns

OSTP

Dr. William Graham

Energy:

Secretary John Herrington
Mr. Joseph Selgado
Mr. Troy Wade

OMB:

Mr. James Miller
Mr. Robert Dawson

CIA:

Mr. William Webster
[REDACTED]

JCS:

Admiral William Crowe
General Robert T. Herres

Sec. 3.3(b)(1)
E.O. 13526
13584p

Minutes

The meeting opened at 2:00 p.m. in the Cabinet Room. The agenda was as shown at Tab A. (U)

Mr. Carlucci opened the meeting: We're here to examine DOE's ability to produce special nuclear material. (U)

The President then used his prepared talking points, to make the following remarks:

-- Two weeks ago I met with Soviet Foreign Minister Shevardnadze. As a result, I hope we can soon complete the remaining work on the INF Treaty and move on to START. (U)

- Those treaties will be major accomplishments, but they won't change the fact that we'll have to depend on nuclear weapons for our security for the foreseeable future. (S)
- We can only sign arms reductions treaties safely if we have the ability to respond if the Soviets abrogate them. (S)
- That's why, early in this Administration, we established two policies. (U)
- First, we said that national security needs, and not the availability of special nuclear material, should drive our nuclear weapons stockpile. (S)
- Second, we decided that we would maintain an adequate reserve of nuclear materials. I still endorse those policies. (S)
- I know that maintaining our nuclear materials production with an aging complex is a great challenge. I'm looking forward to hearing the Department of Energy's approach to doing so in the near term, and to ensuring our ability to do so in the future. (C)

Carlucci: Over to you, John [Herrington]. (U)

Herrington: Mr. President there are two issues we are looking at today. The first involves a new production reactor. Back in 1964 we had 14 reactors producing plutonium. Now we are down to one and a half. You will get briefed today on the implications of that. (U)

The second is an entirely separate issue of oralloy. This is the special enriched uranium we use in nuclear weapons. It is produced in Oak Ridge, Tennessee, but the last time we produced any for the weapons program was 1964. (U)

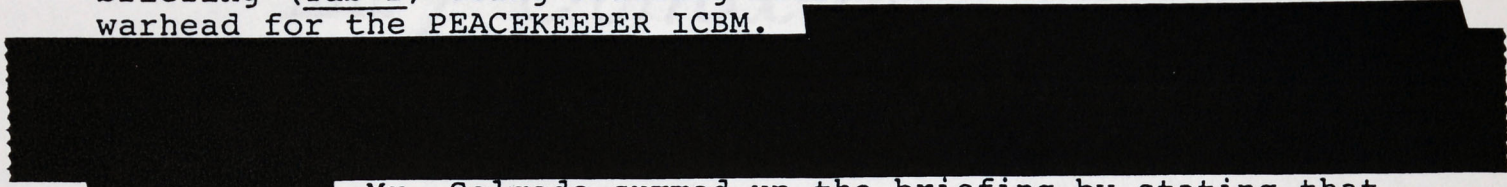
In the 1980 campaign you had a line in your speeches about aircraft that couldn't fly and ships that couldn't leave port. At the same time we were also neglecting our nuclear materials complex. That complex is very fragile. Twenty years of neglect has left it in the same kind of condition. (C)

One disclaimer. Jim [Miller] and I have talked. The issues facing us are a cross between policy and budget issues. We will work them through the normal budget process. We are not looking for a decision on money today, and we will not attempt to go into dollars, but the dollar impact will be large. That's all we will say. The policy issues are: where we go on a new production reactor and do we produce oralloy in this budget. (C)

Weinberger: There is no other department that can help. This must be new budget dollars. (U)

Herrington: I will now turn the session over to Under Secretary of Energy Joe Selgado. I would like to mention that you will be looking at a model that is classified and we would appreciate it if there be no photographs. [At this point the White House Photographer, who had been present since the beginning of the meeting, departed.] (U)

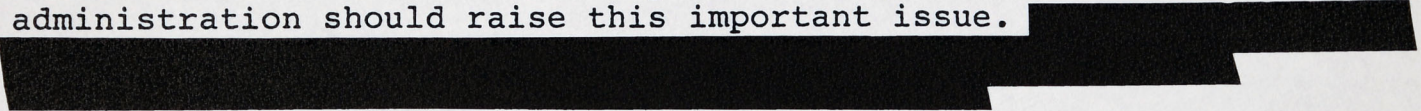
Under Secretary of Energy Selgado then conducted a 20 minute briefing (Tab B) using briefing boards and a model of the W87 warhead for the PEACEKEEPER ICBM.



Mr. Selgado summed up the briefing by stating that there were two issues: construction of a new production reactor, and whether to resume production of new oralloy. Discussion then resumed. (S)

Sec. 6.2 (a)
E.O. 13526

Herrington: Some say this is the worst possible time to bring this problem forward. You will be trying to ratify an arms reductions treaty and at the same time asking to build a new production reactor and resume oralloy production. We could argue that a balance is needed between arms control and readiness. I think this balanced approach will be effective. You have an option on oralloy. You can resume procurement this year, or you can defer the decision to next year. The question is which administration should raise this important issue.



We are going to have to take action on a new production reactor. I will recommend that we move on this in the budget. It will cost \$4 to \$6 billion. It will be a significant budget issue. The Soviets use commercial reactors for SNM [Special Nuclear Material] production; we never have, and I don't believe we can. It will take us ten years to build a new production reactor. Our aging existing reactors are becoming a political issue in local areas. We are losing grass roots support. We have never been required to get NRC [Nuclear Regulatory Commission] certification, if we were, we could not get it for our existing facilities. We have spent the last three years warding off law suits, and not just from outside the government. Senator Hatfield, for example, has joined in a law suit in Washington state. (S)

Why are we bringing this to you now? First, this could have a bearing on arms control. How you approach reductions depends on what procurement capability you have. Second, Congress is asking

for our position. Jim [Miller] and I will talk; this issue will be on your desk. I would like to point out that DOE does not address the requirements. The stockpile memorandum is prepared by DOD and approved by you. I suggest we open this for discussion now; I think the Judge [William Webster, Director of Central Intelligence] has some Soviet numbers. (S)

Carlucci: Can you quantify the shortfall in regard to specific weapons systems? (C)

Weinberger: [REDACTED]

The charts that were shown are based on systems that are not the subject of any arms control talks. It is not just one single system. (S)

The President: As I understand it, we are also talking about the existing stockpile. If we don't have new material the existing stockpile could decay and deteriorate. (CRD)

Herrington: [REDACTED]

Webster: The Soviets have 10 to 13 production reactors at three sites with the total capability of 22,000 megawatts. (S)

Herrington: We have one and a half reactors with 900 megawatts. (U)

Baker: Are these dual purpose? (U)

Webster: Yes. [REDACTED]

Their production reactors range from 19 to 35 years in age. They could use civil reactors, but they have not done so as yet. They would be most likely to use them for tritium production. They have a total of four uranium enrichment plants. (S)

The President: We have little backup from the commercial sector in this area. (C)

Herrington: The only thing would be to convert the WPPS reactor [Washington Public Power System; the reactor referred to is called the WNP-1] in Washington. We can convert it for \$2 billion. The reactor has been started but not completed. There is a proposal around to do this, but we are very skeptical about it. We think they want us to buy out all the bonds and that would be very risky. (U)

Baker: Do the gas cooled reactor people have a proposal? (U)

Herrington: Yes. There is a suggestion for a high temperature gas cooled (HTGR) reactor. The idea is to use this new technology and prove it in the nuclear weapons program. We think that is risky. We should go with a proven technology like heavy water; there is too great a risk to national security if this technology fails and there are only a couple of small reactors that use it now. (S)

Graham: I would like to say a word for new technology. I agree with Secretary Herrington's concern, but some of the ideas are new and could revitalize our commercial power reactor program. There has been no new commercial reactor approved in this country since 1973. National security is the most important, but I hope we can look for possible technological spinoffs. We want to work with Secretary Herrington on this. (U)

Miller: We have a long term problem and we will work it out in the budget, but we also have some short term issues. The Energy and Water Bill, in both the Senate and House versions, has money for the design of a new production reactor. The amounts are small: \$10 to \$25 million. We have not sent up a position statement as yet. I suggest we remain silent; if they give us the money that's fine, but we shouldn't ask for more money yet until we have the details. Second, Senator Hatfield has imposed a provision restraining the re-start of N-reactor in Washington state. We could re-start it by December. Without that provision the bill is probably OK. We ought to send a signal that this provision is veto bait. (U)

Herrington: I would like to ask Joe Selgado to comment. (U)

Selgado: We have a problem here. We need the reactor, but rods pulled from N-reactor have cracks and we are not sure why. We are worried about safety. We don't know the depth of the problem. We don't want to say anything about re-starting in December until we understand the situation. We don't want to saw off a limb behind us. (U)

Carlucci: So you don't favor a veto? (U)

Miller: If we don't send a veto signal and the bill comes, then we won't start up even if it is technically OK. (U)

Herrington: N-reactor only has three years of life in any event. This technical problem is a real one. (U)

Baker: N-reactor is uncontained. Confinement as far as I am concerned is just a buzz word. While there are some differences, basically this is the same concept as Chernobyl. I think that is a strong argument for a new facility. (U)

The President: I had a complete tour of Hanford when I was doing GE Theater years ago. [The President then told a joke about his visit.] (U)

Carlucci: Any more comments? Bill [Crowe]? (U)

Crowe: The weapons requirements are solid. The uncertainty we face is high. We think we must move. (C)

The President: Yes, I agree, we have got something here that has got to happen. (U)

Carlucci: We have a clear need to move. The issues are timing, sequence, and how we fit it into the budget. We need to know what kind of signal to send on Hanford. We are looking for a recommendation from you John. (C)

Whitehead: We are for this; if we need it, we need it. But there are some foreign policy implications. It may seem inconsistent to be reducing weapons while building up our stocks of special nuclear material. That could lead to some opposition. We have to examine the Nonproliferation Treaty implications to make certain that's OK. We must also consider the IAEA [International Atomic Energy Agency]. It will be difficult to push others to accept IAEA safeguards while we are producing new material. We are trying to get safeguards adopted by Pakistan, for example. So we don't oppose it, but we have some work to do on our side, without indicating opposition. (S)

The President: Let's kill two birds with one stone and buy plutonium from Pakistan. (C)

Carlucci: We will look to your staff to get us recommendations on this. (U)

The President: We are all agreed on one point, we have to go forward. (C)

Crowe: On enriched uranium, it is not just issue of meeting the weapons requirements. We also want to make sure we have the one year reserve. (S)

Herrington: We will recommend going forward this year in the budget cycle. (U)

Crowe: But don't forget we need the reserve. (C)

Herrington: I would like now to make a commercial. This is a full scale model, without the special nuclear material, of the warhead for MX. Look at how complex it is. For reliability of something this complex we need nuclear testing. We need testing for the 29 separate warheads that we have today, all of them are

complex. For example, this warhead uses Insensitive High Explosives; only U.S. warheads use that. It is absolutely essential that we have testing for reliability. (SRD)

Weinberger:

[REDACTED] (S)

Carlucci: This concludes the meeting. Thank you for coming.

(U)

Mr. Carlucci closed the meeting at approximately 2:55 p.m. After the formal close of the meeting, the President, Secretaries Weinberger and Herrington, Senator Baker, Admiral Crowe, Judge Webster and the NSC participants gathered around the model of the W87/PEACEKEEPER warhead.

[REDACTED]

The informal briefing lasted between 5 and 10 minutes. (SRD)

Attachments

- Tab A Agenda
- Tab B DOE Briefing

Prepared by:
Linton F. Brooks

~~SECRET~~

29

UNCLASSIFIED WITH
SECRET/RESTRICTED DATA
ATTACHMENT

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM II
91046

NOTED

ACTION

October 2, 1987

MEMORANDUM FOR GRANT S. GREEN

FROM:

[Handwritten signatures]
LINTON BROOKS/BOB LINHARD/BILL COCKELL

SUBJECT: Minutes of NSC Meeting - September 29, 1987

Attached (Tab I) are the minutes of the September 29, 1987 NSC meeting on Nuclear Materials Production.

Recommendations

That you approve the minutes for the record.

Approve _____

Disapprove _____

Attachments

- Tab I September 29, 1987 NSC Meeting Minutes
- Tab A Agenda
- Tab B DOE Briefing

UNCLASSIFIED WITH
REMOVAL OF
SECRET/RESTRICTED DATA ATTACHMENT

~~SECRET~~ *smf 11/7/07*