



Using the Minatom Development Trust to Secure Russian Plutonium

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Objectives

- v Increase U.S. involvement in secure storage of Russian plutonium during period of (possibly prolonged) socio-economic instability.
- v Accelerate disposition of excess plutonium from Russian weapons.
- v Rely on internally developed technology and trust revenues.
- v Provide an income stream to economically stressed nuclear-industrial complex to reduce pressures to engage in proliferation sensitive international transactions.

Today's Situation

- v No credible proposal for disposing of Russian plutonium exists today.
- v No government is willing to fund a MOX fabrication plant in Russia.
- v Even if funded, current MOX disposition plan is too slow and poses its own proliferation risks.

Available Options

- v Rely solely on Russian and United States government management of the problem.
- v Introduce private non-profit management.

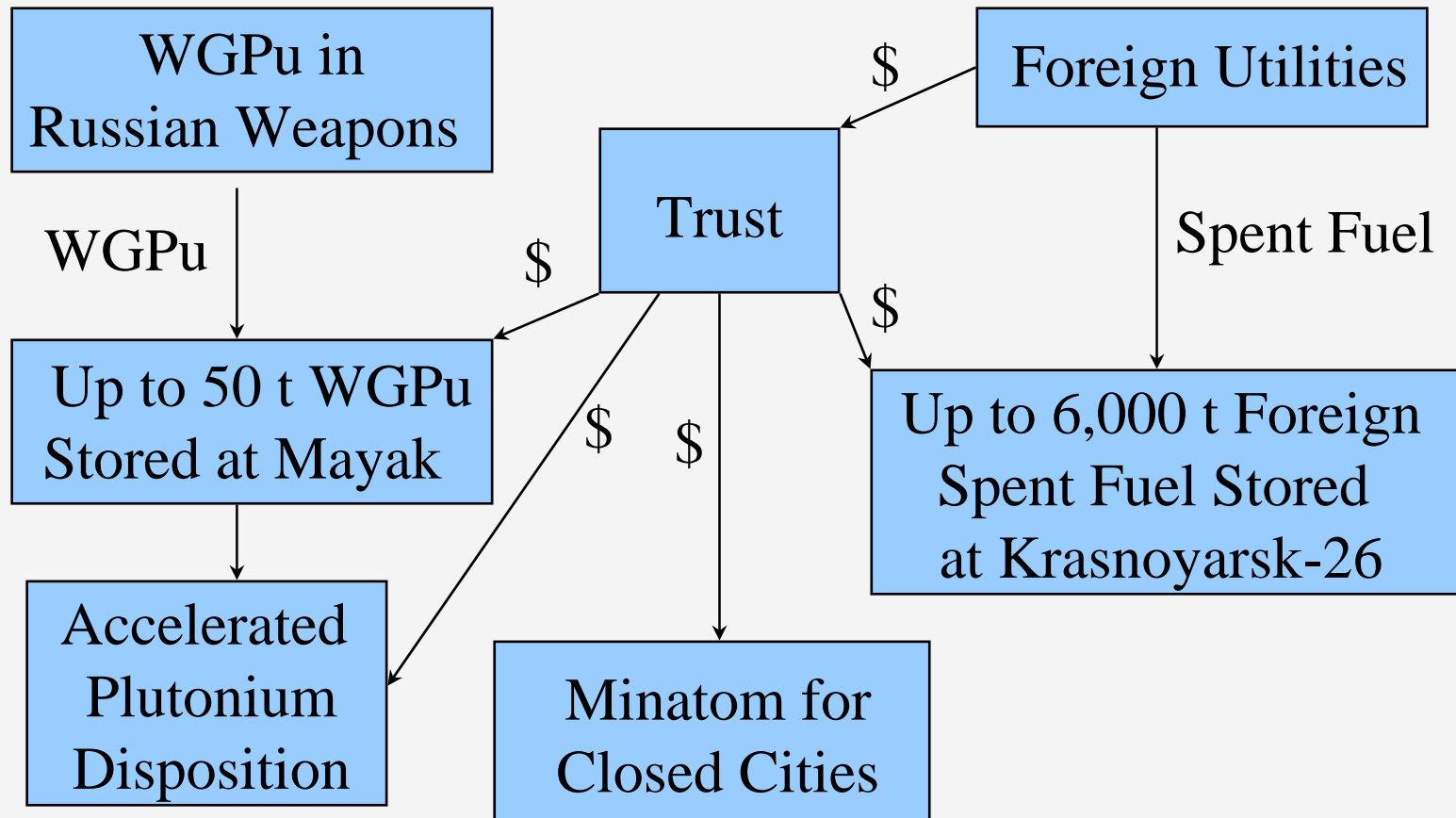
Recommendation

- v Management of Russian excess plutonium storage and disposition by the Minatom development trust under a long term (e.g., 20-30 year) lease agreement.

The Trust Would:

- ✓ Take title to foreign commercial spent fuel containing at least 50 tonnes of plutonium in return for a fee approximating the avoided cost of spent fuel storage and reprocessing (i.e., about \$1.2 million/tonne).
- ✓ Contract with Minatom for long term interim storage of this spent fuel in Russia.
- ✓ On the same timetable, lease, store, and contract for disposition of the equivalent amount of excess Russian weapons plutonium.
- ✓ Continue to explore disposal options at Wake Island and Novaya Zemlya.

Fissile Plutonium Swap Managed by the Trust



Advantages to Russia/Minatom

- v Near-term income.
- v Trustee guarantee of income for support of Minatom activities.
- v Potential for expanded commercial relationships with Western utilities, including expanding market for Russian-origin uranium and SWU.

Advantages to the United States

- v Increases control over security of Russian excess plutonium.
- v Provides for more efficient and expeditious disposition of plutonium.
- v Provides a commercial flow of funds to support plutonium disposition in Russia.
- v Increases Russian stake in once-through non-proliferative fuel cycle.