

Panel: Future of the ROK-US Nuclear Cooperation Agreement (Regency Room)

Date/Time: Wednesday, February 20, 2013 / 09:00-10:15

Talking Points for: Sharon Squassoni, Senior Fellow and Director, Proliferation Prevention Program, Center for Strategic and International Studies

I. LEGAL POINTS

- US-Korean cooperation from the 1950s; last agreement amended in 1974
- Korean agreement one of two (other was Taiwan) that was NOT/NOT amended after passage of the NNPA
- Unlike other agreements, this one does not have provisions for rolling extensions. Some provisions, e.g. for US supply of all Korea's enrichment needs – are anachronistic and need to be updated.
- Issue that is holding up negotiations is whether or not the US will grant programmatic (advance, long-term) consent for Korea to enrich US-origin or reprocess US-origin material.
- Programmatic consent means that once a further agreement (subsidiary arrangement) is in place, the recipient state does not have to ask for US permission each and every time it transfers material, stores material, or alters material in form or content. Such consent is meant to streamline nuclear supply and cooperation and for minimal interference in a country's nuclear program.

II. TECHNICAL POINTS

- There are really no contentious technical issues in the agreement under negotiation. But Korea's technical development in nuclear energy is moving in such a way that is forcing it to develop a recycling technique to support its fast reactor development. There is no technical rationale to acquire enrichment capability – this is driven by political factors.
- Pyroprocessing – US laws do not define reprocessing, but it is important for policy decisions. At present, U.S. government officials consider pyroprocessing to be reprocessing. Officials in other countries (e.g., France) agree.
- Engaging in pyroprocessing requires development of many technical skills that would aid a nuclear weapons program.

III. STRATEGIC POINTS

- This is not about the “gold standard” for Korea – that is, getting Korea to forswear enrichment and reprocessing like the UAE. No one is suggesting that the US-Korea agreement reflect that.
- This is about applying US nonproliferation principles fairly, across all states. U.S. policy has been not to grant programmatic consent to states that do not already possess enrichment or reprocessing.
- US policy also does not encourage the spread of sensitive nuclear technologies like uranium enrichment or reprocessing.

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IV. ECONOMIC POINTS

- Economics of a fast reactor fuel cycle – even one that reduces high level waste – are highly speculative.
- The argument that Korea can enrich uranium cheaper than other competitors is highly speculative.
- The argument that Korea needs domestic enrichment capabilities to be competitive with other suppliers is undermined by the UAE contract, where KEPCO outbid all the other suppliers. Interdependence across a global supply chain is the current norm.

V. POLITICAL POINTS

- Not about how strong the bilateral alliance is, how much the US trusts Korea, what Japan is doing or Korean nuclear energy export competitiveness.
- It may be that an interim solution is the best for now – one in which we wait for the outcome of the 10-year joint study.
- It makes little sense to acquire capabilities that will be expensive at the outset, whose cost-effectiveness is highly speculative and that are bound to exacerbate political tensions in the region, when it is entirely possible to rely on the existing market.
- Korea is already moving to buy stakes in uranium mines and enrichment facilities, which everyone welcomes.
- At a time when there is less confidence in the safety and security of nuclear energy post-Fukushima, South Korea could benefit from closer cooperation with the United States, particularly if it takes steps to demonstrate nonproliferation leadership.

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