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# PRESENTATION TO THE NRC ABOUT LES EIS

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Rules and Directives  
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MARCH 4, 2004  
AT NRC LES SCOPING MEETING  
EUNICE, NEW MEXICO

E-RIDS = ADM-03  
all = P. Johnson (RS)  
m. Wong (UCW)

Amplitude = ADM-013

# LETTERS

## To The Editor

### UNSAFE URANIUM ENRICHMENT PLANT

Al Gore, past Vice President of the United States, is on record saying that he does not want the LES uranium enrichment plant in Tennessee because it is UNSAFE.

Since the primary purpose of this plant is to produce weapons grades uranium to build nuclear bombs with, and considering that such a plant would be a prime terrorist target, it seems to me that the decision whether to allow LES to build a uranium enrichment plant in Lea County should be made by a referendum vote by the people of Lea County instead of leaving the decision to our illustrious leaders.

Lee Cheney  
420 W. Humble  
Hobbs, NM

**The  
Lovington  
Daily**

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# NUCLEAR PROLIFERATION AND NATIONAL SECURITY

On February 12, 2004, Dr. Mohamed ElBaradei, Director General of the U.N. International Atomic Energy Agency, said that "We must abandon the unworkable notion that it is morally reprehensible for some countries to pursue weapons of mass destruction yet morally acceptable for others to rely on them for security - and indeed to continue to refine capabilities and postulate plans for their use... A clear road map for nuclear disarmament should be established - starting with a major reduction in the 30,000 nuclear warheads still in existence..." (see exhibit A). The United States is in the process of licensing a facility in Tennessee that would downblend Highly Enriched Uranium (HEU) to make it usable as fuel in nuclear power plants which, combined with existing LEU production by USEC will make it uneconomical for LES to be granted an NRC operating license. The NRC should look into this.

On February 19, 2004, the New York Times published an article entitled, *Roots of Pakistan Atomic Scandal Traced to Europe* which said, "The problem began with the 1970 Treaty of Almelo" (see exhibit B) but the problem does not stop there; nor does it stop with Karl Heinz Schaab, a former employee of a URENCO subcontractor, who made it clear that "others were involved"; nor does it stop with what President Bush recently described as "The Khan network", (see exhibit C) referring to A.Q. Khan the well known "father" of Pakistan's nuclear weapons program, who also worked for a URENCO subcontractor. An Associated Press release dateline Islamabad, Pakistan February 5, 2004 says that "Mohamed ElBaradei... warned that Kahn's activities were 'the tip of an iceberg'..." (see exhibit D). The New York Times article goes on to say that "Security at URENCO was by most accounts slipshod. The consortium relied on a network of research centers and subcontractors to build its centrifuges, and top-secret blueprints were passed out to companies bidding on tenders, giving engineers across Europe an opportunity to appropriate designs." Of course, LES & URENCO claim that the designs were stolen but evidence is mounting that URENCO indiscriminantly passed out these top secret designs.

A news story dated January 27, 2004 (ISSN 1563-9479) by The News - Jang Group - Number One News Resource of Pakistan says, "The core question that European investigators are probing is whether designs for uranium enrichment centrifuges, developed by the Dutch unit of URENCO.... came from inside Pakistan or URENCO provided it to Tehran, or their source were the companies that supply components to URENCO" (see exhibit E).

A story in the March 1, 2004 issue of Time Magazine says, "Given the President's non-proliferation initiative, we will need to go beyond technical aspects of the plant and look at the strategic policy implications" (see exhibit F). The article goes on to say, "If the New Mexico project moves forward... the National Security Council would likely get involved in a more extensive, high-level review." This Time magazine article also said that "LES has described the link between URENCO and nuclear proliferation as 'long ago and far-fetched at this point'." However, LES has said many things that are incomplete and misleading. The world is full of crooks. We do not want crooks coming to Lea

County. Therefore, I am asking the NRC to demand that URENCO open all of its books and records for inspection by the U.N. IAEA (the U.N. International Atomic Energy Agency). If URENCO refuses to cooperate then the NRC should refuse to grant LES an operating license. Please understand. I am not asking the NRC to investigate URENCO. I simply asking the NRC to refuse to grant an operating license to LES until the IAEA has cleared URENCO of any kind of involvement, direct or indirect, overt or covert, in the proliferation of uranium enrichment centrifuge technology and I don't care if it takes the IAEA 10 years to complete its investigation of URENCO, the NRC must refuse to issue LES an operating license until the IAEA investigation of URENCO is 100% completed. If the NRC does not have the jurisdiction to do this then the NRC should ask President Bush to order the NRC to refuse to grant an operating license to LES. A plausible alternative to URENCO ownership of LES NEF would be for the LES NEF to be 51% owned by the people of Lea County which would put this uranium enrichment technology under American control. The NRC should look into this alternative.

# EXHIBIT A



<http://www.iaea.org>

## Statements of the Director General

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12 February 2004

Op-Ed Essay, published in the New York Times

### Saving Ourselves From Self-Destruction

by IAEA Director General Dr. Mohamed ElBaradei

Nuclear proliferation is on the rise. Equipment, material and training were once largely inaccessible. Today, however, there is a sophisticated worldwide network that can deliver systems for producing material usable in weapons. The demand clearly exists: countries remain interested in the illicit acquisition of weapons of mass destruction.

If we sit idly by, this trend will continue. Countries that perceive themselves to be vulnerable can be expected to try to redress that vulnerability - and in some cases they will pursue clandestine weapons programs. The supply network will grow, making it easier to acquire nuclear weapon expertise and materials. Eventually, inevitably, terrorists will gain access to such materials and technology, if not actual weapons.

If the world does not change course, we risk self-destruction.

Common sense and recent experience make clear that the Nuclear Non-Proliferation Treaty, which has served us well since 1970, must be tailored to fit 21<sup>st</sup>-century realities. Without threatening national sovereignty, we can toughen the Non-Proliferation regime.

The first step is to tighten controls over the export of nuclear material, a priority President Bush identified yesterday in his speech on nuclear non-proliferation. The current system relies on a gentlemen's agreement that is not only non-binding, but also limited in its membership: it does not include many countries with growing industrial capacity. And even some members fail to control the exports of companies unaffiliated with government enterprise.

We must universalize the export control system, remove these loopholes, and enact binding, treaty-based controls — while preserving the rights of all States to peaceful nuclear technology. We should also criminalize the acts of people who seek to assist others in proliferation.

In parallel, inspectors must be empowered. Much effort was recently expended — and rightly so — in persuading Iran and Libya to give the International Atomic Energy Agency much broader rights of inspection. But the Agency should have the right to conduct such inspections in all countries. Verification of non-proliferation treaty obligations requires more stringent measures, but to date, fewer than 20 percent of the 191 United Nations members have approved a protocol allowing broader inspection rights. Again, as President Bush suggested yesterday, it should be in force for all countries.

In addition, no country should be allowed to withdraw from the treaty. The treaty now allows any member to do so with three months' notice. Any nation invoking this escape clause is almost certainly a threat to international peace and security.

This provision of the treaty should be curtailed. At a minimum, withdrawal should prompt an automatic review by the United Nations Security Council.

The international community must do a better job of controlling the risks of nuclear proliferation. Sensitive parts of the nuclear fuel cycle — the production of new fuel, the processing of weapon-usable material, the disposal of spent fuel and radioactive waste — would be less vulnerable to proliferation if brought under multinational control. Appropriate checks and balances could be used to preserve commercial competitiveness and assure a supply of nuclear material to legitimate would-be users.

Toward this end, negotiations on the Fissile Material Cutoff Treaty must be revived. The treaty, which would put an end to the production of fissionable material for weapons, has been stalled in the Conference on Disarmament in Geneva for nearly eight years. For the material that already exists, including in some countries of the former Soviet Union, security measures must be strengthened.

Of course, a fundamental part of the non-proliferation bargain is the commitment of the five nuclear States recognized under the non-proliferation treaty — Britain, China, France, Russia and the United States — to move toward disarmament. Recent agreements between Russia and the United States are commendable, but they should be verifiable and irreversible. A clear road map for nuclear disarmament should be established — starting with a major reduction in the 30,000 nuclear warheads still in existence, and bringing into force the long-awaited Comprehensive Nuclear Test Ban Treaty.

If the global community is serious about bringing nuclear proliferation to a halt, these measures and others should be considered at the non-proliferation treaty review conference next year.

We must also begin to address the root causes of insecurity. In areas of longstanding conflict like the Middle East, South Asia and the Korean Peninsula, the pursuit of weapons of mass destruction — while never justified — can be expected as long as we fail to introduce alternatives that redress the security deficit. We must abandon the unworkable notion that it is morally reprehensible for some countries to pursue weapons of mass destruction yet morally acceptable for others to rely on them for security — and indeed to continue to refine their capacities and postulate plans for their use.

Similarly, we must abandon the traditional approach of defining security in terms of boundaries — city walls, border patrols, racial and religious groupings. The global community has become irreversibly interdependent, with the constant movement of people, ideas, goods and resources. In such a world, we must combat terrorism with an infectious security culture that crosses borders — an inclusive approach to security based on solidarity and the value of human life. In such a world, weapons of mass destruction have no place.

[More DG Statements »](#)

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**EXHIBIT B**

**Lee Cheney**

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**From:** "Don Hancock" <sricon@earthlink.net>  
**To:** <stoplesinnm@yahoogleroups.com>  
**Sent:** Thursday, February 19, 2004 7:52 AM  
**Subject:** [stoplesinnm] NYT on Europe, Urenco, and Pakistan

February 19, 2004

## **Roots of Pakistan Atomic Scandal Traced to Europe**

By CRAIG S. SMITH

ARIS, Feb. 18 — The Pakistani scientist Abdul Qadeer Khan has been demonized in the West for selling atomic secrets and equipment around the world, but the trade began in Europe, not Islamabad, according to court documents and experts who monitor proliferation.

The records show that industry scientists and Western intelligence agencies have known for decades that nuclear technology was pouring out of Europe despite national export control efforts to contain it.

Many of the names that have turned up among lists of suppliers and middlemen who fed equipment, materials and knowledge to nuclear programs in Pakistan and other aspiring nuclear nations are well-known players in Europe's uranium enrichment industry, a critical part of many nuclear weapons programs. Some have been convicted of illegal exports before.

The proliferation has its roots in Europe's own postwar eagerness for nuclear independence from the United States and its lax security over potentially lethal technology. It was abetted, critics say, by competition within Europe for lucrative contracts to bolster state-supported nuclear industries. Even as their own intelligence services warned that Pakistan could not be trusted, some European governments continued to help Pakistan's nuclear program.

"It was an economic consideration," said Paul Stais, a former Belgian member of the European Parliament who lobbied unsuccessfully for tighter export controls.

One name to emerge from the international investigations of Dr. Khan's nuclear trade was that of Urs Tinner, a Swiss engineer who monitored production of centrifuge parts at a factory in Malaysia. The parts were intended for Libya. Mr. Tinner's father, Friedrich Tinner, also an engineer, came under scrutiny by the Defense Department in the 1970's and again by Swiss export control authorities and the International Atomic Energy Agency in the last decade, because he was involved in exports to Pakistan and Iraq of technology used in uranium enrichment.

In the 1970's, Friedrich Tinner was in charge of exports at Vakuum-Apparate-Technik, or VAT, when the company was identified by the Defense Department as shipping items with possible nuclear-related uses to Pakistan, according to documents and VAT company officials. He later set up his own company, now called PhiTec AG, which was investigated by the Swiss in 1996 for trying to ship valves for uranium enrichment centrifuges to Iraq. The Tinnings were never found to have broken any laws, Swiss officials said.

"Most of these people were heavily investigated in the 1970's, 80's and 90's," said Mark Hibbs, the European editor of the technical journal Nucleonics Week, published by McGraw-Hill.

The problem began with the 1970 Treaty of Almelo, under which Britain, Germany and the Netherlands agreed to develop centrifuges to enrich uranium jointly, ensuring their nuclear power industry a fuel source independent of the United States. Urenco, or the Uranium Enrichment Company, was established the next year with its primary enrichment plant at Almelo, the Netherlands.

Security at Urenco was by most accounts slipshod. The consortium relied on a network of research centers and subcontractors to build its centrifuges, and top-secret blueprints were passed out to companies bidding on tenders, giving engineers across Europe an opportunity to appropriate designs.

Dr. Khan, who worked for a Urenco Dutch subcontractor, Physics Dynamic Research Laboratory, was given access to the most advanced designs, even though he came from Pakistan, which was already known to harbor nuclear ambitions. A 1980 report by the Dutch government on his activities said he visited the Almelo factory in May 1972 and by late 1974 had an office there.

After Dr. Khan returned to Pakistan with blueprints and supplier lists for uranium enrichment centrifuges at the end of 1975, American intelligence agencies predicted that he would soon be shopping for the items needed to build the centrifuges for Pakistan's bomb. They soon detected a flow of equipment from Europe to Pakistan as Dr. Khan drew on Urenco's network of suppliers using a trusted group of former schoolmates and friends as agents.

The Dutch government report found that in 1976, two Dutch firms exported to Pakistan 6,200 unfinished rotor tubes made of superstrong maraging steel. The tubes are the heart of Urenco's advanced uranium-enriching centrifuges.

In 1983, a Dutch court convicted Dr. Khan in absentia on charges of stealing the designs, though the conviction was later overturned on a technicality. Nonetheless, in the late 1980's, Belgian ministers led delegations of scientists and businessmen to Pakistan, despite warnings from their own experts that they were meeting with people involved in the military application of nuclear technology.

"Every well-informed person knows the inherent danger of an intense collaboration with a country such as Pakistan," wrote René Constant, director of Belgium's National Institute of Radioactive Elements in February 1987, chastising Philippe Maystadt, then the country's minister of economic affairs, after one such visit.

That same year, despite American warnings to Germany that such a sale was imminent, a German firm exported to Pakistan a plant for the recovery of tritium, a volatile gas used to increase the power of nuclear bombs. The company simply called the plant something else to obtain an export license.

"The export control office didn't even inspect the goods," said Reinhard Huebner, the German prosecutor who handled the subsequent trial of the company's chief, Rudolf Ortmayers, and Peter Finke, a German physicist who went to Pakistan to train engineers there to operate the equipment. Both men were sentenced to jail for violating export control laws.

But there were clues that the technology had spread even further: a German intelligence investigation determined that Iraq and possibly Iran and North Korea had obtained uranium-melting expertise stolen from Urenco in 1984, Mr. Hibbs reported in Nucleonics Week several years later.

In 1989, two engineers, Bruno Stemmler and Karl Heinz Schaab, who had worked for Germany's MAN New Technology, another Urenco subcontractor, sold plans for advanced uranium enrichment centrifuges to Iraq. They went to Baghdad to help solve problems in making the equipment work.

In 1991, after the first Iraq war, international inspectors were stunned to discover the extent of Saddam Hussein's hidden program. Mr. Schaab was later convicted of treason but only served a little more than a year in jail. Mr. Stemmler died before he could be tried.

David Albright, a former weapons inspector for the International Atomic Energy Agency, said he helped retrieve a full set of the blueprints from Iraq after the major combat operations ended last year. United States inspectors have not found evidence that Mr. Hussein had restarted his nuclear program, but Mr. Albright said there were still drawings unaccounted for.

"It's an unnerving issue," said Mr. Albright, who is president of the Institute for Science and

International Security. "A lot of nuclear weapons design stuff could be missing in Iraq." As recently as last year, German customs agents seized high-tensile-strength aluminum tubes made by a German company and bound for North Korea. The tubes matched the specifications for the housings of Urenco's uranium-enriching centrifuges.

One name on a list of suppliers to Iran that came to light in recent investigations was Henk Slebos, who studied with Dr. Khan at Delft Technological University in Leuven, Belgium, in the late 1960's.

In the early 1980's, Mr. Slebos was arrested for shipping an oscilloscope, used in testing centrifuges, to Dr. Khan in Pakistan. He was convicted and sentenced to a brief prison term in 1985. Mr. Slebos declined to comment for this article.

In 1998, he withdrew five Pakistan-bound shipments that the Dutch authorities had stopped in the Netherlands, Belgium and Austria because they contained "dual use" items, which could be used for unconventional weapons as well as civilian purposes.

Last September, Mr. Slebos was among the sponsors of an international symposium on advanced materials in Pakistan organized by Dr. Khan. Jaap de Hoop Scheffer, who was then the Dutch foreign minister and is now NATO's secretary general, told Dutch members of Parliament that Mr. Slebos was still doing business with Dr. Khan, though he did not elaborate.

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**EXHIBIT C**



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## President Announces New Measures to Counter the Threat of WMD

Remarks by the President on Weapons of Mass Destruction Proliferation  
Fort Lesley J. McNair - National Defense University  
Washington, D.C.

2:30 P.M. EST

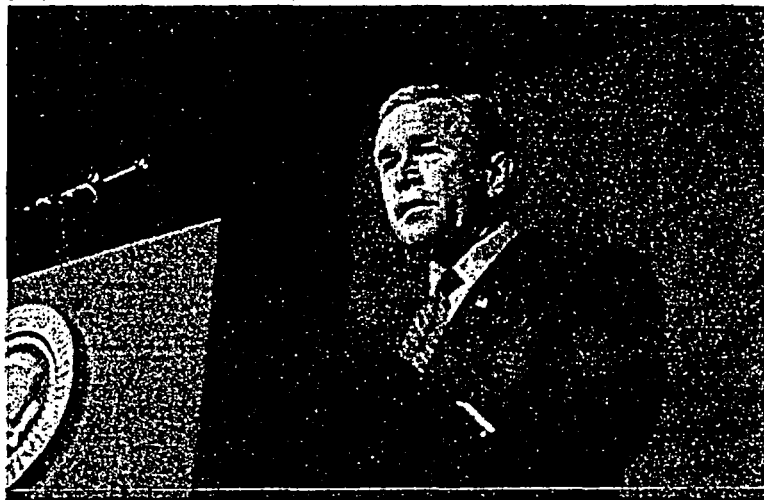


Photo by SGT Linda Tsang, Army Visual Information Directorate

THE PRESIDENT: T warm welcome. I'm t visit the National Def University. For nearly the scholars and stud have helped to prep for the changing thre national security. Tox and women of our Ni Defense University a frame the strategies ' which we are fighting the war on terror. Yo Counterproliferation I and your other institu colleges are providin into the dangers of a want to thank each o devoting your talents energy to the service

nation.

I want to thank General Michael Dunn for inviting me here. I used to jog by this facility on a regula my age kicked in. (Laughter.) I appreciate Ambassador Wolfgang Ischinger, from Germany. Mr. A thank you for being here today. I see my friend, George Shultz, a distinguished public servant anc with us. George, thank you for coming; and Charlotte, it's good to see you. I'm so honored that Di here with us today. Senator, I appreciate you taking time and thanks for bringing Senator Saxby C with you, as well. I appreciate the veterans who are here and those on active duty. Thanks for lett by.

On September the 11th, 2001, America and the world witnessed a new kind of war. We saw the g that a stateless network could inflict upon our country, killers armed with box cutters, mace, and 1 tickets. Those attacks also raised the prospect of even worse dangers -- of other weapons in the l other men. The greatest threat before humanity today is the possibility of secret and sudden attac chemical or biological or radiological or nuclear weapons.

In the past, enemies of America required massed armies, and great navies, powerful air forces to nation, our people, our friends and allies at risk. In the Cold War, Americans lived under the threat of mass destruction, but believed that deterrents made those weapons a last resort. What has che 21st century is that, in the hands of terrorists, weapons of mass destruction would be a first resort preferred means to further their ideology of suicide and random murder. These terrible weapons e easier to acquire, build, hide, and transport. Armed with a single vial of a biological agent or a sing weapon, small groups of fanatics, or failing states, could gain the power to threaten great nations, world peace.

America, and the entire civilized world, will face this threat for decades to come. We must confront with open eyes, and unbending purpose. I have made clear to all the policy of this nation: America permit terrorists and dangerous regimes to threaten us with the world's most deadly weapons. (Ap

Meeting this duty has required changes in thinking and strategy. Doctrines designed to contain an aggressive states, and defeat massed armies cannot fully protect us from this new threat. America possibility of catastrophic attack from ballistic missiles armed with weapons of mass destruction. We are developing and deploying missile defenses to guard our people. The best intelligence is to win the war on terror and to stop proliferation. So that is why I have established a commission to examine our intelligence capabilities and recommend ways to improve and adapt them to detect and emerging threats.

We're determined to confront those threats at the source. We will stop these weapons from being built. We'll block them from being transferred. We'll prevent them from ever being used. One source weapons is dangerous and secretive regimes that build weapons of mass destruction to intimidate neighbors and force their influence upon the world. These nations pose different challenges; they different strategies.

The former dictator of Iraq possessed and used weapons of mass destruction against his own people years, he defied the will of the international community. He refused to disarm or account for his ill and programs. He doubted our resolve to enforce our word – and now he sits in a prison cell, which moves toward a democratic future. (Applause.)

To Iraq's east, the government of Iran is unwilling to abandon a uranium enrichment program capable producing material for nuclear weapons. The United States is working with our allies and the International Atomic Energy Agency to ensure that Iran meets its commitments and does not develop nuclear weapons. (Applause.)

In the Pacific, North Korea has defied the world, has tested long-range ballistic missiles, admitted possession of nuclear weapons, and now threatens to build more. Together with our partners in Asia is insisting that North Korea completely, verifiably, and irreversibly dismantle its nuclear programs

America has consistently brought these threats to the attention of international organizations. We've every means of diplomacy to answer them. As for my part, I will continue to speak clearly on these issues and will continue to call upon the world to confront these dangers, and to end them. (Applause.)

In recent years, another path of proliferation has become clear, as well. America and other nations more about black-market operatives who deal in equipment and expertise related to weapons of mass destruction. These dealers are motivated by greed, or fanaticism, or both. They find eager customers regimes, which pay millions for the parts and plans they need to speed up their weapons program. deadly technology and expertise going on the market, there's the terrible possibility that terrorists obtain the ultimate weapons they desire most.

The extent and sophistication of such networks can be seen in the case of a man named Abdul Qadeer Khan. This is the story as we know it so far.

A. Q. Khan is known throughout the world as the father of Pakistan's nuclear weapons program. *What was not* publicly known, until recently, is that he also led an extensive international network for the proliferation nuclear technology and know-how.

For decades, Mr. Khan remained on the Pakistani government payroll, earning a modest salary. *What he and* his associates financed lavish lifestyles through the sale of nuclear technologies and equipment to *outlaw* regimes stretching from North Africa to the Korean Peninsula.

A. Q. Khan, himself, operated mostly out of Pakistan. He served as director of the network, its leader, as well as its primary salesman. Over the past decade, he made frequent trips to consult with and to sell his expertise. He and his associates sold the blueprints for centrifuges to enrich uranium a nuclear design stolen from the Pakistani government. The network sold uranium hexafluoride, the centrifuge process can transform into enriched uranium for nuclear bombs. Khan and his associates provided Iran and Libya and North Korea with designs for Pakistan's older centrifuges, as well as more advanced and efficient models. The network also provided these countries with components, *and in* some cases, with complete centrifuges.

To increase their profits, Khan and his associates used a factory in Malaysia to manufacture key parts for centrifuges. Other necessary parts were purchased through network operatives based in Europe, *the Middle* East, and Africa. These procurement agents saw the trade in nuclear technologies as a shortcut to *personal*

wealth, and they set up front companies to deceive legitimate firms into selling them tightly controlled materials.

Khan's deputy – a man named B.S.A. Tahir – ran SMB computers, a business in Dubai. Tahir used that computer company as a front for the proliferation activities of the A. Q. Khan network. Tahir acted as both the network's chief financial officer and money launderer. He was also its shipping agent, using his company as cover for the movement of centrifuge parts to various clients. Tahir directed the Malaysia facility to produce these parts based on Pakistani designs, and then ordered the facility to ship the components to Dubai. Tahir also arranged for parts acquired by other European procurement agents to transit through Dubai to other customers.

This picture of the Khan network was pieced together over several years by American and British intelligence officers. Our intelligence services gradually uncovered this network's reach, and identified its key experts and agents and money men. Operatives followed its transactions, mapped the extent of its operations, they monitored the travel of A. Q. Khan and senior associates. They shadowed members of the network around the world, they recorded their conversations, they penetrated their operations, we've uncovered their secrets. The work involved high risk, and all Americans can be grateful for the hard work and the dedication of our finest intelligence professionals. (Applause.)

Governments around the world worked closely with us to unravel the Khan network, and to put an end to criminal enterprise. A. Q. Khan has confessed his crimes, and his top associates are out of business. The government of Pakistan is interrogating the network's members, learning critical details that will help them prevent it from ever operating again. President Musharraf has promised to share all the information he has about the Khan network, and has assured us that his country will never again be a source of proliferation.

Mr. Tahir is in Malaysia, where authorities are investigating his activities. Malaysian authorities have assured us that the factory the network used is no longer producing centrifuge parts. Other members of the network remain at large. One by one, they will be found, and their careers in the weapons trade will be ended.

As a result of our penetration of the network, American and the British intelligence identified a shipment of advanced centrifuge parts manufactured at the Malaysia facility. We followed the shipment of these parts through Dubai, and watched as they were transferred to the BBC China, a German-owned ship. After the ship passed through the Suez Canal, bound for Libya, it was stopped by German and Italian authorities. They searched the containers, each forty feet in length, listed on the ship's manifest as full of "used machine parts." In fact, the containers were filled with parts of sophisticated centrifuges.

The interception of the BBC China came as Libyan and British and American officials were discussing the possibility of Libya ending its WMD programs. The United States and Britain confronted Libya with this evidence of an active and illegal nuclear program. About two months ago, Libya's leader vowed to end his nuclear and chemical weapons programs, not to pursue biological weapons, and to permit inspections by the International Atomic Energy Agency and the Organization for the Prohibition of Chemical Weapons. We're now working in partnership with these organizations and with the United Kingdom and the government of Libya to dismantle those programs and eliminate all dangerous materials.

Colonel Ghadafi made the right decision, and the world will be safer once his commitment is fulfilled. We expect other regimes to follow his example. Abandoning the pursuit of illegal weapons can lead to better relations with the United States, and other free nations. Continuing to seek those weapons will only bring us security or international prestige, but only political isolation, economic hardship, and other unwelcome consequences. (Applause.)

We know that Libya was not the only customer of the Khan network. Other countries expressed gratitude for our services. These regimes and other proliferators like Khan should know: We and our friends are determined to protect our people and the world from proliferation. (Applause.)

Breaking this network is one major success in a broad-based effort to stop the spread of terrible weapons. We're adjusting our strategies to the threats of a new era. America and the nations of Australia, France, Germany, Italy and Japan, the Netherlands, Poland, Portugal, Spain and the United Kingdom have launched the Proliferation Security Initiative to interdict lethal materials in transit. Our nations are sharing intelligence information, tracking suspect international cargo, conducting joint military exercises. We're preparing to seize weapons and missiles and equipment that raise proliferation concerns, as we did in stopping the dangerous cargo on the BBC China before it reached Libya. Three more governments – Canada and Singapore and Norway – will be participating in this initiative. We'll continue to expand the group of PSI countries. And as PSI grows, proliferators will find it harder than ever to trade in illicit

There is a consensus among nations that proliferation cannot be tolerated. Yet this consensus means nothing unless it is translated into action. Every civilized nation has a stake in preventing the spread of weapons



mass destruction. These materials and technologies, and the people who traffic in them, cross me. To stop this trade, the nations of the world must be strong and determined. We must work together and act effectively. Today, I announce seven proposals to strengthen the world's efforts to stop the spread of deadly weapons.

First, I propose that the work of the Proliferation Security Initiative be expanded to address more shipments and transfers. Building on the tools we've developed to fight terrorists, we can take direct action against proliferation networks. We need greater cooperation not just among intelligence and military but in law enforcement, as well. PSI participants and other willing nations should use the Interpol means to bring to justice those who traffic in deadly weapons, to shut down their labs, to seize them, to freeze their assets. We must act on every lead. We will find the middlemen, the suppliers and their money. Our message to proliferators must be consistent and it must be clear: We will find you, and we're not resting until you are stopped. (Applause.)

Second, I call on all nations to strengthen the laws and international controls that govern proliferation. Last fall, I proposed a new Security Council resolution requiring all states to criminalize proliferation, to impose strict export controls, and secure all sensitive materials within their borders. The Security Council must act on this proposal quickly. And when they do, America stands ready to help other governments to draft the new laws that will help us deal with proliferation.

Third, I propose to expand our efforts to keep weapons from the Cold War and other dangerous remnants from falling into the wrong hands. In 1991, Congress passed the Nunn-Lugar legislation. Senator Lugar had a deal along with Senator Nunn, about what to do with the old Soviet Union. Under this program, we're helping Soviet states find productive employment for former weapons scientists. We're dismantling, destroying, and securing weapons and materials left over from the Soviet WMD arsenal. We have more work to do.

And as a result of the G-8 Summit in 2002, we agreed to provide \$20 billion over 10 years -- half from the United States -- to support such programs. We should expand this cooperation elsewhere in the world to help us retain [sic] WMD scientists and technicians in countries like Iraq and Libya. We will help nations export weapons-grade uranium in research reactors. I urge more nations to contribute to these efforts. The world must do all we can to secure and eliminate nuclear and chemical and biological and radiological materials.

As we track and destroy these networks, we must also prevent governments from developing nuclear weapons under false pretenses. The Nuclear Non-Proliferation Treaty was designed more than 30 years ago to prevent the spread of nuclear weapons beyond those states which already possessed them. Under this treaty, states agreed to help non-nuclear states develop peaceful atomic energy if they renounced the production of nuclear weapons. But the treaty has a loophole which has been exploited by nations such as North Korea and Iran. These regimes are allowed to produce nuclear material that can be used to build bombs and other nuclear programs.

So today, as a fourth step, I propose a way to close the loophole. The world must create a safe, secure, and reliable way to field civilian nuclear plants without adding to the danger of weapons proliferation. The world's leading nuclear exporters should ensure that states have reliable access at reasonable cost to fuel for civilian nuclear power so long as those states renounce enrichment and reprocessing. Enrichment and reprocessing are necessary for nations seeking to harness nuclear energy for peaceful purposes.

The 40 nations of the Nuclear Suppliers Group should refuse to sell enrichment and reprocessing technologies to any state that does not already possess full-scale, functioning enrichment and reprocessing plants. (Applause.) This step will prevent new states from developing the means to produce fissile material for nuclear bombs. Proliferators must not be allowed to cynically manipulate the NPT to obtain the material and infrastructure necessary for manufacturing illegal weapons.

For international norms to be effective, they must be enforced. It is the charge of the International Atomic Energy Agency to uncover banned nuclear activity around the world and report those violations to the Security Council. We must ensure that the IAEA has all the tools it needs to fulfill its essential mission. America and other nations support what is called the Additional Protocol, which requires states to provide a broad range of nuclear activities and facilities, and allow the IAEA to inspect those facilities.

As a fifth step, I propose that by next year, only states that have signed the Additional Protocol be allowed to import equipment for their civilian nuclear programs. Nations that are serious about fighting proliferation must approve and implement the Additional Protocol. I've submitted the Additional Protocol to the Senate to consent immediately to its ratification.

We must also ensure that IAEA is organized to take action when action is required. So, a sixth step is the creation of a special committee of the IAEA Board which will focus intensively on safeguards and

verification. This committee, made up of governments in good standing with the IAEA, will strengthen the capability of the IAEA to ensure that nations comply with their international obligations.

And, finally, countries under investigation for violating nuclear non-proliferation obligations are currently allowed to serve on the IAEA Board of Governors. For instance, Iran – a country suspected of having an extensive nuclear weapons program – recently completed a two-year term on the Board. Allowing violators to serve on the Board creates an unacceptable barrier to effective action. No state under investigation for proliferation violations should be allowed to serve on the IAEA Board of Governors – or on the committee. And any state currently on the Board that comes under investigation should be suspended from the Board. The integrity and mission of the IAEA depends on this simple principle: Those actively breaking the rules should not be entrusted with enforcing the rules. (Applause.)

As we move forward to address these challenges we will consult with our friends and allies on all possible measures. We will listen to their ideas. Together we will defend the safety of all nations and preserve the peace of the world.

Over the last two years, a great coalition has come together to defeat terrorism and to oppose the weapons of mass destruction – the inseparable commitments of the war on terror. We've shown that proliferators can be discovered and can be stopped. We've shown that for regimes that choose to ignore the consequences are serious consequences. The way ahead is not easy, but it is clear. We will proceed as if the lives of our citizens depend on our vigilance, because they do. Terrorists and terror states are in a race for mass murder, a race they must lose. (Applause.) Terrorists are resourceful; we're more resourceful; we're more determined; we must be more determined. We will never lose focus or resolve. We'll be unrelenting in our defense of free nations, and rise to the hard demands of dangerous times.

May God bless you all. (Applause.)

END 3:07 P.M. EST

# EXHIBIT D



Get Zc

## Pakistan President Pardons Nuke Scientist

Pakistani President Pervez Musharraf Pardons Top Nuclear Scientist in Proliferation Probe

*The Associated Press*

ISLAMABAD, Pakistan Feb. 5 — Pakistan's president pardoned the country's top nuclear scientist Thursday for leaking weapons technology to Iran, Libya and North Korea a move designed to ease domestic political pressures and head off a deeper inquiry into official involvement in years of nuclear proliferation.

Just two weeks after condemning possible rogue elements in Pakistan's nuclear program as "enemies of the state," a defiant and unapologetic President Gen. Pervez Musharraf forgave Dr. Abdul Qadeer Khan after the disgraced scientist took responsibility on national television for leaks that spanned at least a decade starting in the late 1980s.

Musharraf's decision to back away from a public trial appeared weak to some international observers suspicious of his and Kahn's contention that the Pakistani government didn't authorize or know about the proliferation.

But key allies like the United States and Britain pointedly withheld criticism Thursday. Analysts said Washington was unlikely to seek tougher action against Khan for fear of putting the Pakistani leader in a tight spot.

White House spokesman Scott McClellan sidestepped repeated questions about whether the Bush administration wants Pakistan to join the Nuclear Nonproliferation Treaty.

"President Musharraf provided us assurances that the government of Pakistan was not involved in any kind of proliferation activity," McClellan said.

"The investigation by the government of Pakistan demonstrates their commitments to addressing the issue of proliferation, and this proliferation is no longer. The actions of Pakistan have broken up this network and that's important."

Musharraf, who seized power in 1999, is a key Washington ally in its war on terrorism and the hunt for al-Qaida fugitives, particularly along Pakistan's border with Afghanistan.

"They do not want to embarrass him further and make his job more difficult," said Talat Masood, a Pakistani military and political analyst. "Without Musharraf, the whole war on terror would be compromised."

Strongly worded criticism of Khan's pardon came Thursday from former U.S. chief weapons inspector David Kay.

"I can think of no one who deserves less to be pardoned," Kay said in Washington. He called the disclosures "a wake-up call" and said Khan was "running essentially a Sam's Club" of weapons technology.

But Khan is regarded by many of Pakistan's 150 million people as a national hero. Trained in Europe, he founded the program that made Pakistan the Islamic world's first nuclear-armed state in 1998, to rival the military might of its historic enemy and larger neighbor, India.

"From Musharraf's standpoint, it's far preferable to try to draw a line under the issue by accepting Khan's confession, rather than run the political risks of a full-scale investigation and trial," said Gary Samore of the International Institute for Strategic Studies in London.

A public trial of Khan could have led to a showdown with hard-liners and proved embarrassing to top government and military officials.

Islamist and opposition groups have protested Khan's fall from grace since Pakistan launched an investigation in November. The inquiry came in response to information from the International Atomic Energy Agency, the U.N. nuclear watchdog, that Pakistani technology had been found in Iran and Libya.

Musharraf was unapologetic about pardoning Khan, whom he referred to as a "hero" many times in a two-hour news conference at army headquarters Thursday. "Whatever I have done, I have tried to shield him," he said.

Details of the pardon weren't made public, including whether Khan would have to repay any of the millions he is suspected of receiving for selling Pakistan's nuclear secrets.

No announcement was made on the fate of the six other suspects: two scientists and four security officials at Pakistan's top nuclear facility, the Khan Research Laboratories, named after Khan.

In Vienna, Mohamed ElBaradei, the head of the U.N. nuclear agency, warned that Khan's activities were "the tip of an iceberg" in the international nuclear black market, and promised further investigations.

Musharraf ruled out an independent investigation of any military involvement in proliferation, or any U.N. monitoring of its nuclear program despite emerging evidence of Khan's central role in an international nuclear black market, also suspected to involve manufacturers and middlemen in Asia and Africa.

"This is a sovereign country," said Musharraf, wearing camouflage fatigues. "No documents will given, no independent investigation will take place here and we will not submit to the United Nations coming inside here."

Musharraf also lashed out at fellow Muslim nations Iran and Libya for caving in to international inspectors and turning over documents on their nuclear programs. "Muslim brothers did not ask us before giving our names," he said.

However, he invited the United Nations' International Atomic Energy Agency to share in the findings of Pakistan's two-month probe into the nuclear leaks, which has involved the questioning of at least 11 lab employees and two former army chiefs.

In a note of defiance, Musharraf announced Pakistan would test within one month, for the first time, its

Shaheen II missile, which has a range of 1,240 miles nearly three times the range of its current top missile. He also vowed to keep Pakistan's nuclear capability.

"This country will never roll back its nuclear assets," Musharraf said. "It can never be done."

Khan appeared on national television Wednesday to apologize and appeal for the government's mercy. It was a shock to many Pakistanis, although the scientist is actually no stranger to controversy.

After earning a doctorate in metallurgy in Belgium, Khan worked at a Dutch laboratory in the early 1970s run by the British-German-Dutch nuclear conglomerate URENCO.

In 1983, a Netherlands court convicted Khan in absentia on a charge of stealing confidential material from URENCO allegedly used to jump-start Pakistan's nuclear program in 1976 and sentenced him to four years in prison. He denied the charge, and the conviction was later overturned on a technicality.

**photo credit and caption:**

President of Pakistan Pervez Musharraf addresses a news conference, Thursday, Feb. 5, 2004 in Rawalpindi, Pakistan. Musharraf pardoned the father of Pakistan's nuclear program Abdul Qadeer Khan for giving technology to Iran, Libya and North Korea, blaming him for leaks allegedly made without government permission. (AP Photo/Press Information Department)

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# EXHIBIT E



Tuesday January 27, 2004-- Zil Haj 04, 1424 A.H.  
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## TOP STORIES



### Focus of N-probes shifts from Pakistan to Europe

By Zia Iqbal Shahid

**HAGUE:** The focus of International Investigation on nuclear technology transfer to Iran and Libya has shifted this week from Pakistan to several European countries, including the Netherlands that harbours designers and developers of uranium enrichment centrifuges used in the nuclear programmes of Pakistan, Iran, Libya and North Korea, a source in Hague told The News.

After Pakistani authorities indicated that debriefing of top Pakistani nuclear scientists is reaching its culmination, IAEA and European investigators undertook investigations into nuclear proliferation. The probe would identify the role played by European scientists and nuclear managers associated with some top companies in Europe in illegal transfer of nuclear technology to Iran, Libya and North Korea, the source said.

The core question that European investigators are probing is whether designs for uranium enrichment centrifuges, developed by the Dutch unit of Urenco, which Tehran allegedly acquired from a middleman in 1980s, came from inside Pakistan or Urenco provided it to Tehran, or their source were the companies that supply components to Urenco, the source said.

Dutch Foreign Minister Bernard Bot and Economic Affairs Minister Laurens-Jan Brinkhorst in their written replies last week, to questions from a Dutch member of Parliament (MP), have already admitted that there were "indications" North Korea and Libya might have acquired potentially arms-related nuclear technology developed in Europe that Pakistan and Iran are known to possess, the source said.

The Dutch ministers confirmed that the authorities in the Netherlands were investigating the source of supply, to Iran, of designs for uranium enrichment centrifuges developed by the Dutch unit of Urenco, which is suspected to have been done by a middleman.

The ministers also confirmed that the same technology, developed by the British-Dutch-German Urenco consortium, may have found its way

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into Libya and North Korea. In their reply to the MP, the two Dutch ministers said "the source supplying the Urenco technology to Libya and Iran was not clear", adding, "the matter was being probed".

Urenco is the same Dutch/German/British uranium enrichment facility in the Netherlands where the father of Pakistani nuclear bomb, Dr Qadeer Khan, had been working in 1970s. Despite his repeated denial of all charges related to alleged involvement in nuclear espionage, a court in Amsterdam sentenced him in absentia to four years in jail in 1983.

Pledging the Netherlands cooperation in the investigation the Dutch ministers in their reply to the MP said, "The Netherlands has offered full cooperation to the IAEA in investigating the technology's origins."

The Dutch ministers said, "The IAEA investigations into the origins of Iran's enrichment technology led to a clear conclusion" adding, "it would concern Urenco technology from the 1970s."

Buoyed by the information ascertained through a professional but preliminary scrutiny of the nuclear programmes of Iran and Libya, IAEA inspectors and experts have concluded that scientists, nuclear manager and companies from the Netherlands, Switzerland, Austria, Germany, the UK, France and other western European countries need to be investigated thoroughly to ascertain the truth on the basis of the evidence in possession of the IAEA, the source said.

Dutch and German intelligence agencies, according to another source, are engaged in investigating what they describe as the "crucial leads" related to some officials of the Dutch-British-German consortium, the Urenco.

Urenco has been named as one of the companies that had allegedly been playing a role in Iran's centrifuge programme, but the company's spokesman has vehemently denied the allegation of supplying nuclear components to Iran or Libya.

European investigators do not rule out that the European countries that supply components to Urenco might have sold the same pieces of technology to Iran. Based on the conclusion drawn by experts associated with the international watchdog, the probe in Europe has been widened.

Authorities in Switzerland, Austria, Germany, the UK, France and the Netherlands have also been asked to investigate the companies across Europe that had been supplying the components to Urenco, the source said.

European investigators are concentrating on identifying the source which allegedly supplied the first drawing of centrifuge technology to Iran in late 1980. The investigators expect to unravel covert activities of more than two decades through investigations launched to identify cartels of the "middle men" who had been helping in illegal transfer of nuclear technology to Iran and Libya.

Some intelligence outfits in Europe believe that the investigation to identify the source or sources that had been supplying nuclear technology to Iran could not be completed without launching a thorough probe into the companies which had been providing Pakistan the most sophisticated nuclear components to build its nuclear programme, the source said.

"The nuclear investigation in Europe will be a multi-pronged exercise. Its main targets will be those 'middle men' who had been helping in nuclear programme of any country in the world," the source said.

Meanwhile, European investigators are also examining a brochure which had been allegedly handed out by some Pakistani scientists at trade shows in France, Germany and other countries. The brochure with a picture of Dr AQ Khan on its cover page, according to the interpretation of European investigators, implied that "Pakistani scientists were willing to sell sensitive centrifuge know-how to whosoever wanted to purchase that," the source said.



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# EXHIBIT F



# TIME

NATION

Monday, Mar. 01, 2004

## A Radioactive Project Hits a Snag with Bush Administration

A proposed uranium enrichment plant in New Mexico is getting extra scrutiny from senior officials, as it involves a company linked to leaked nuclear secrets.

By ADAM ZAGORIN

If the U.S. government approves, several thousand inhabitants of Eunice, New Mexico are about to get a new corporate citizen: URENCO, the state-owned European consortium whose centrifuge designs have leaked to most of the world's rogue nuclear states. The consortium is revving up to build a new uranium enrichment facility just outside of Eunice not far from the Texas border. But the deal is anything but sealed. The massive project is raising eyebrows among Bush administration officials concerned that a company linked to the spread of nuclear weapons technologies would be operating on U.S. soil.

In the past few weeks U.S. regulators have begun processing an application to construct the \$1.8 billion plant, which has strong backing from powerful state and federal officials, including Republican Pete Domenici, who is chairman of the Senate Energy Committee. URENCO, an Anglo-Dutch-German consortium, hopes to build in New Mexico as part of Louisiana Energy Services, or LES, an alliance that includes the big American firms Exelon, Duke and Entergy, as well as Cameco, a uranium mining company and Westinghouse, a nuclear fuel manufacturer. If it is built, the plant would produce fuel for nuclear power generation in the U.S. and abroad.

But the plant's construction is facing some tough questions in the wake of President Bush's recent call for strict nuclear non-proliferation safeguards, and new revelations from A. Q. Khan, a Pakistani atomic scientist who has admitted passing nuclear design secrets on to Iran, North Korea and Libya. Khan obtained those design secrets, allegedly based on URENCO drawings, after being employed in the 1970's by a subsidiary of a Dutch company that worked closely with URENCO.

National security sources tell TIME that the New Mexico plant could face closer scrutiny and a more rigorous approval process. "What U.S. technologies might become available to URENCO as a result of its operations here?" asks a senior U.S. national security official. "Given the

<http://www.time.com/time/nation/printout/0,8816,596639,00.html>

3/2/04

President's non-proliferation initiative, we will need to go beyond technical aspects of the plant and look at the strategic policy implications." A high-level U.S. nuclear administrator raised nearly identical concerns last year about URENCO/LES plans to build a comparable facility in Tennessee, but those plans were withdrawn by the company. If the New Mexico project moves forward, the senior U.S. national security official said that the National Security Council would likely get involved in a more extensive, high-level review.

At this point, however, approval for the New Mexico project rests with the Nuclear Regulatory Commission, a federal agency which reviews technical aspects such as the reliability of the plant's enrichment equipment, but not national security implications. The review process normally takes about three years, but Senator Domenici has promised to introduce legislation in Congress that would cut that to two years or less. Domenici's proposal would also make approval of the plant more likely by limiting review of the plant's environmental impact, truncating the appeals process for those who object to the plant and allowing the US government to process the facility's radioactive waste using a tax-payer subsidy.

If the plan meets federal approval, the consortium will eventually install enrichment machines at the New Mexico site worth over \$1 billion, nearly all of which would probably be built in Europe to URENCO specifications. The company has said its centrifuge technology will be subject to the strictest safeguards, and has denied authorizing the leaks of any of its technology to rogue states. LES has described the link between URENCO and nuclear proliferation as "long ago and far-fetched at this point."

The first supposed leak of URENCO technology occurred in the 1970's and involved Pakistan. Since then, components associated with URENCO technology, consultants or sub-contractors have been said to have turned up in Iran, Iraq, Libya and North Korea. Last week, for example, the United Nations nuclear agency said it found undeclared components compatible with advanced uranium-enrichment centrifuge designs in Iran. The components were compatible with a so-called "P2" uranium-enrichment centrifuge, a Pakistani version of the URENCO "G2" centrifuge. The P2 can be used to produce material for nuclear weapons.

In 1998, Ernest Piffl, managing director of the German firm Team GmbH near Stuttgart, received a three and half year prison sentence for illegally exporting thousands of centrifuge components to a Pakistani nuclear laboratory. An expert at the trial testified that Piffl had in his possession a classified drawing of a URENCO component.

In Febraury 1986, components en route to Pakistan were seized by Swiss authorities that had apparently been manufactured from URENCO designs in West Germany.

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# PLAUSIBLE SOLUTIONS

## (2) Plausible waste solution.

### What is "Plausible?"

According to Webster's New World Dictionary, the word "plausible" means (1) Seemingly true, acceptable, etc. often implying disbelief; (2) Seemingly honest, trustworthy, etc. often implying distrust. Plausible applies to that which at first glance appears to be true, reasonable, valid, etc., but which may or may not be so..."

My questions regarding the NRC requirement for "plausible solutions are these: (1) when the NRC requires LES to submit a "plausible solution" to the nuclear proliferation and national security will the NRC simply trust what LES says or will the NRC verify from other sources the truthfulness of what LES says; (2) when the NRC requires LES to submit a "plausible solution" to the waste problem, to the water problem, and to the myriad of other problems regarding this LES NEF project will the NRC simply trust what LES says or will the NRC verify from other sources the truthfulness of what LES says?

### Existing Proposals Not Plausible.

It is not plausible for LES to tell the NRC that Cotter Mines could take the waste. The president of Cotter mines said no such mine exists. Nor is it a plausible solution for the taxpayers to subsidize LES so the DOE will take LES waste. Nor is it plausible to think that LES will ship its waste outside the United States. Nor is it plausible for LES to suggest that they will store their waste at WIPP or at any other place in the United States.

### Only One Plausible Solution.

There is only one plausible solution for the nuclear waste produced by the LES NEF and that is for the NRC to require LES to submit a supplemental license application to the NRC which makes a clear, unequivocal statement that LES has entered into a legal contingent contract with COGEMA or some other private company to be ready to take LES waste at the same time that LES NEF begins production of enriched uranium and that the LES NEF will not begin producing enriched uranium until a deconversion plant is operational and willing to accept the LES NEF waste. Of course, LES claims that it is not plausible to expect a private company to commit to waste deconversion until after LES is granted an operating license by the NRC but contingency contracts are commonly used in the business world.

### Contingency Contracts.

Contingency contracts are legal contract agreements that are entered into by companies that make those companies legally required to fulfill certain obligations on condition that certain other things occur. LES says that they have already entered into legal contingency contracts with nuclear power companies to the extent that half of their total production is already sold on the contingent condition that LES NEF actually produces enriched uranium. My question to the NRC regarding waste deconversion is this: will the NRC require LES to submit a supplemental application to the NRC that

provides this clear, unquestionable iron-clad "plausible solution" to the LES NEF waste problem? The NRC must refuse to issue LES an operating license unless this plausible solution to the LES NEF nuclear waste is written iron clad into the NRC license.

## **RADIOACTIVE NEW MEXICO RAIN**

### **Radioactive New Mexico Rain.**

People in New Mexico call blowing dust and sand "New Mexico Rain" (see exhibit G). LES tells us that emissions from the LES NEF ventilator stacks will be no worse than normal radiation from the sun but everybody knows that long term exposure to the sun causes sun burn and skin cancer. The NRC needs to look into the long term effect accumulations of radiation and UF6 gas from LES NEF emissions will have in the impact area on New Mexico Rain.



**EXHIBIT G**

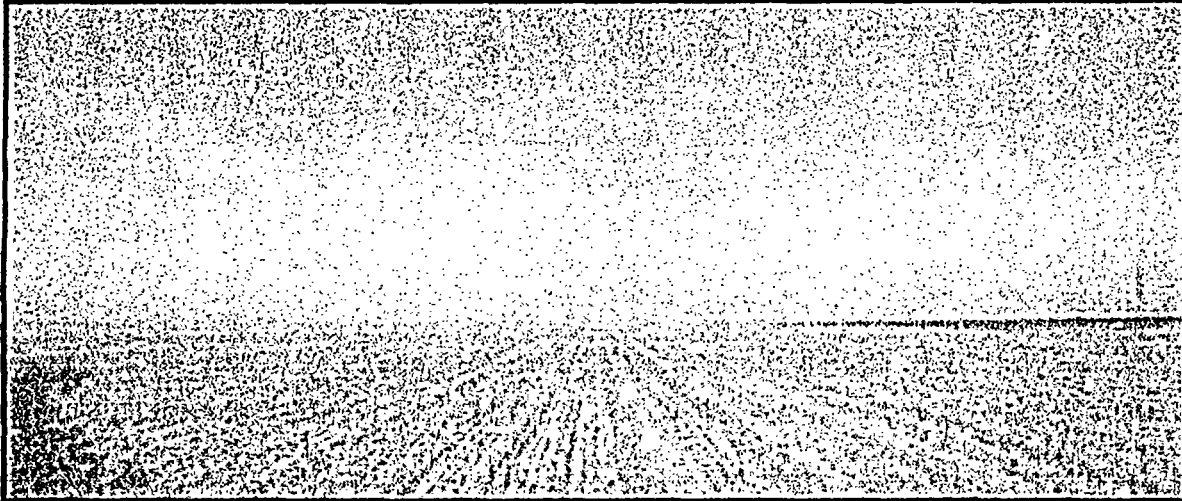
**Lee Cheney**

---

**From:** "Citizens Nuclear Information Center (CNIC)" <nuclear@leaco.net>  
**To:** "Citizen's Nuclear Information Center" <nuclear@leaco.net>  
**Sent:** Saturday, December 13, 2003 10:47 AM  
**Subject:** New Mexico Rain & Lucky Kentucky

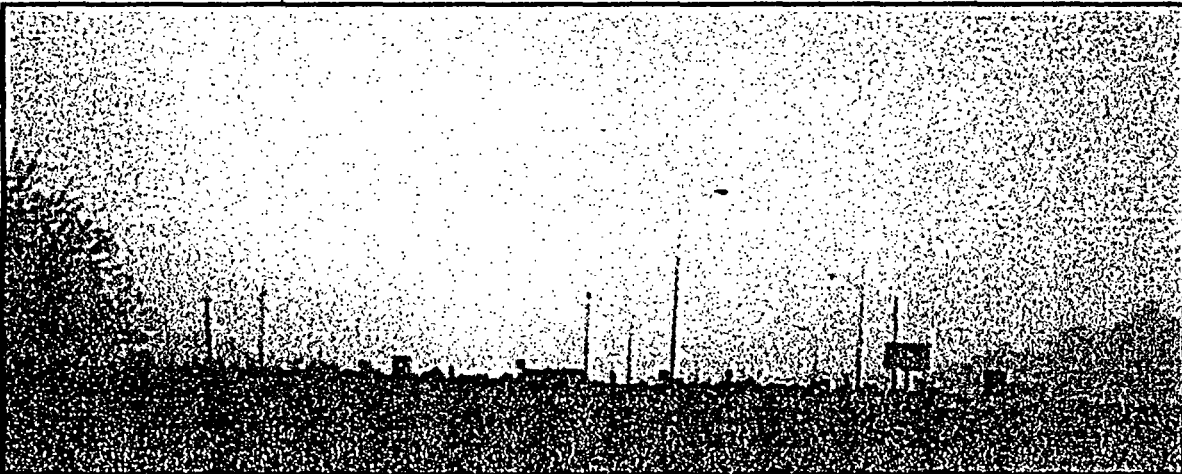
**NEW MEXICO RAIN**

Blowing dust and sand, which New Mexicans call "New Mexico Rain", can blow hundreds of feet in the air and blow hundreds of miles in any direction. The Weather Channel report on this day (11/22/03) for Lea County was "BLOWING DUST with S.W. winds 25-40 MPH..." a common occurrence in Lea County and West Texas.



(above) The horizon is not fog or smog or clouds in this photo of a West Texas cotton farm not far from Lea County, NM. The horizon is BLOWING DUST & SAND.

(below) At sun set on 11/22/03 the sun tries to shine through BLOWING DUST & SAND at Hobbs, New Mexico (photo taken from the Texas/New Mexico State Line 5 miles east of Hobbs).



According to the Southwest Research and Information Center ([www.SRIC.org](http://www.SRIC.org)) "radioactive uranium particles released into the air by LES that drop on the sand or leak out of UBC's would be radioactive and could make some surrounding dust and sand particles radioactive."

**WILL NEW MEXICO RAIN THAT BLOWS FROM LES BE RADIOACTIVE COMPARED TO NORMAL NEW MEXICO RAIN? WE DEMAND THAT THE NRC REQUIRE A SCIENTIFIC ANALYSIS OF THE SAND AND DUST RADIATION THAT WILL BLOW FROM THE LES NEF AND WE FURTHER DEMAND THAT IF THIS SCIENTIFIC STUDY CONCLUDES THAT THE RADIATION IN THE DUST AND SAND AT THE LES NEF EXCEEDS NATURAL BACKGROUND RADIATION THAT THE NRC REQUIRE LES TO PLACE ALL UBC IN AIR-TIGHT CHAMBERS THAT WILL GUARANTEE ZERO RADIATION FROM BLOWING DUST AND SAND.**

**IS A WASTELAND OF RADIOACTIVE NEW MEXICO RAIN THE LEGACY YOU WANT TO LEAVE FOR YOUR CHILDREN, GRANDCHILDREN, AND GREAT GRAND CHILDREN?**

## **OTHER HEALTH, ENVIRONMENTAL AND SAFETY PROBLEMS**

The NRC needs to look into the following health, environmental and safety problems:

**(1) Increased cancer risk.**

It is very significant, and tells a story about the kind of one-sided information LES gives to the people that LES has not told the people that people who work at the LES NEF will be more likely to get cancer than if they do not work at the LES NEF. This matter needs to be looked into in the LES-EIS. The NRC also needs to look into the increased cancer risk to the entire impact area.

**(2) Ogalala Aquifer.**

One of the most important environmental problems LES is not dealing with adequately is the Lea County water problem. If, as LES is telling people, the population of Eunice could increase to 70,000 the way the population of Almelo increased, the NRC needs to look into the affect this population increase would have on the Ogalala Aquifer. All other possible problems related to the shortage of water in Lea County also need to be looked into by the NRC.

**(3) Water Contamination.**

The NRC needs to look into all aspects of contamination to Lea County water.

**(4) Contamination of Birds & Animals.**

The NRC needs to look into the contamination of birds and animals in the impact area that will be caused by the LES NEF.

**(5) Transportation.**

The NRC needs to look into problems that would result from a major explosion and fire caused by the collision of various types of oil field trucks with one of the trucks hauling UF6 on the highway between Eunice, NM and Andrews, TX.

**(6) Property Devaluation.**

Property devaluation caused by the LES NEF is not merely a matter of economics and finance. Property values have a direct impact on the quality of life of people the same way other environmental problems do. The NRC needs to look into the problem of property devaluation.

**(7) Terrorism.**

At the Eunice NRC meeting last November the NRC scoffed at my request to tell the people how much UF6 gas and radiation would be put into the air if there was a 911 type destruction of the LES NEF. Regardless of the probability factor, the people in the Impact area have a right to know the facts about this worst case scenario. This information should be included in the LES-EIS.

**(8) Almelo license revocation.**

The enrichment plant at Almelo had its operating license revoked twice because URENCO allowed the plant to emit 28 times the authorized level of emissions. However because of politics, big money and manipulations of the legal system the URENCO Almelo plant was never shut down (see exhibit H). The NRC needs to look into this matter and to require that LES put an iron clad guarantee in an amended license application clearly stating that the LES NEF will be immediately shut down if any emissions above the required levels are detected.

**EXHIBIT H**

published by WISE News Communiqué on February 25, 1994

**License Urenco Almelo destroyed for 2nd time**

*Warning to the readers: This is a tough, complicated story about granted and destroyed licenses, court cases, production capacities, expansion plans and tolerating arrangements.*

**(407.4028) WISE Amsterdam - Second Victory** A victory in the Netherlands by opponents against Urenco on 5 February 1994, when the Raad van State (Council Of State) in The Hague destroyed a license of Urenco Almelo for the second time. The now destroyed license was for a production capacity of 1300 ton swu/year (separative work unit = measure for isotope separation capacity). The reasons the Council gave are:

1. it had not been proven that expansion was not dangerous
2. recent scientific insights were not taken into account
3. the juridical procedure was wrongly not fully followed, which was obliged because of the great public resistance.

The first time a license from Urenco was destroyed was on 27 March 1991. That one was for a production capacity of 3500 ton swu/yr. (See Table I) However, in spite of their destroyed license Urenco did not shut down their plant. They said they could partly fall back on an old license from 1981 (!), which permits for a production capacity of 1085 ton swu/yr. For the other part, they asked again for a tolerance of the government. A partial closure would cost them Hfl. 1 million a day (about US\$ 525.000), according to Urenco. We question this claim on good grounds. Besides, Urenco said, on 30 December 1993 we got a new license, for a production capacity of 3500 ton swu a year.

**The final fight**

To fight this newest license we have asked for a suspension which was automatically granted, so Urenco can't make use of their newest license. So legally they have to shut down the part of their plant that goes beyond the capacity of 1085 ton swu. We expect that Urenco may go on producing enriched uranium, till the court judges on this suspension request, which will take probably 2 months. If we loose that round, Urenco is allowed to double their production capacity from 1300 ton to 2500 ton swu/yr. But we have of course already presented appeal against this license. So the fight goes on. We expect that this newest license will be destroyed too, because it is nearly exact the same as the now destroyed one.

**Radiation limits exceeded**

In the newest license of 30-12-93, which is now suspended, it is written that the maximum allowed radiation dose at the border of the waste disposal is put at: 40 microsievert/yr. Recent measurements at the border of the plant show that the real radiation dose is about 1100 microsievert/yr.

Table I: Overview of Urenco Licenses

Licenses		Tolerating	Allowed Prod. Cap.
Given	Destroyed	Agreement	(ton swu)
1981			1085

So the maximum allowed radiation dose is exceeded by a factor of 27. The Ministry of Economic Affairs tolerates this because, as they say: "This is an existing situation. It is unreasonable to ask Urenco to change this, because that will be expensive". In the near future, the radiation doses at the border of the plant will further exceed the maximum limits as even more depleted uranium will be stored there.

1987	27-3-91		3500
		July 1991	1085
Jan. 1992	5-2-94		1300
30-12-1993		Asked for: Febr.94	2500

**The biggest waste dump in the Netherlands**

The newest license approves for disposal of 50 million kilogram of radio-active depleted uranium in the form of uraniumhexafluoride (UF<sub>6</sub>). Quite a part of this quantity will be depleted reprocessed uranium. Urenco is specialised in enriching reprocessed uranium and contracted recently to do this for utilities in Belgium, England, France, Japan and Germany.

Reprocessed Uranium (or REPU) is 10 to 15 times more radioactive as natural uranium. This endagers the workers, the neighbours and the people along the transport routes. The REPU is stored in cylinders in the open air. In 1992 a fighterplane crashed near by. If an aeroplane crashes on the radio-active dump, a disaster can occur when a fire heats the cylinders for more than 30 minutes. The highly toxic fumes of Hexafluoride and other gasses will spread quickly and poison or kill workers, passers-by and neighbours. There is no limit for the duration of the stored UF<sub>6</sub>, nor on obligation to store it in another form such as uranium-oxide (U<sub>3</sub>O<sub>8</sub>), which is solid and is for less dangerous.

**No need for expansion**

At the moment, there is an enormous overcapacity of uranium enrichment capacity of 100 percent. In 1993, worldwide enrichment demand for nuclear power plants was 24 million swu, worldwide production capacity was 48 million swu.

In the eighties there was a lot of overproduction, so now there are huge stocks of civil enriched uranium. Moreover, military stocks of enriched uranium in Russia are sold on the civilian market as are big quantities of high enriched uranium from dismantled nuclear weapons. Together, these represent some 15 years of future consumption.

As a result prices came down, from \$150/swu in 1986 to \$70/swu and lower by now. Driven by their hunger for hard currency, Russia overfloods the Western market with supercheap enriched uranium.. They can export about 10 million swu/yr.

Although the Western uranium enrichers (Urenco, Eurodif and USA) charge Russia with offering enriched uranium at dump prices, they can't prove that. Experts assume that the low Russian prices are real prices because they have old, written-off plants, made up from low-cost ultra-centrifuges and so have low production costs. In fact, the Western enrichers have been heavily subsidized, with many billions of dollars. So with a really free market, Russia will conquer 40 percent of the world

Table II  
Uranium enrichment production capacity at the end of 1993

Country/ Company	Civilian Prod Cap. (million swu)
USA	19,4
Eurodif	10,8
Russia	14
Urenco	2,9
China	0,6
Japan	0,3
South Africa	0,3
Others (*)	0,1
Total	48,4

market. But the reality is that the Western markets are protected. In Europe, Russia may only deliver 20% of the demand, in the USA their market share is even less, by means of import limitations.

\* = India, Pakistan, Brazil, Argentina

### History

As you perhaps know, Urenco is an European uranium enrichment enterprise with plants in 3 countries:

1. Almelo, Netherlands
2. Capenhurst, England
3. Gronau, Germany

In each country Urenco has research facilities, ultra-centrifuge manufacturing plants and uranium enrichment plants. Urenco was founded with the Treaty of Alnielo in 1970.

From the beginning, the consortium was fought by opponents. In the Netherlands the opposition became fiercely in the seventies when Urenco wanted to increase their production capacity and signed a contract with Brazil to deliver enriched uranium for the Angra nuclear power plant.

Demonstrations of 40.000 people were held in 1978. Blockades were organised in 1979/80/81. There was a site-occupation in 1985 (resulting in 24 arrests) and two blockades of a UF<sub>6</sub>-transport in 1983. It was all of no use: Urenco got a license for expansion from 200 to 1085 ton swu/yr.

Some opponents continued their opposition legally. They fought the license in 1985 at the Council of State. The case was held up for a long time: only in 1989 the court gave judgment, which was not in our advantage. We did not give up of course, so when-ever Urenco applied for a new license, we fought it.

Urenco also applied for a license in the USA for a 1500 ton swu plant. Because of licensing difficulties, construction (once planned for 1993) is now delayed till 1996 at least.

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**VERBAL SUMMARY  
PRESENTED AT  
NRC SCOPING MEETING  
IN EUNICE, NM MARCH 4, 2004**

Good evening ladies and gentlemen. My name is Lee Cheney. I am here representing the Citizens Nuclear Information Center in Hobbs, New Mexico.

I have made a written presentation to the NRC this evening but I would like to briefly summarize it for you now.

I have requested that the NRC look into the following problems:

- 1 - Nuclear Proliferation and National Security
- 2 - A Plausible Waste Solution
- 3 - Radioactive New Mexico Rain
- 4 - Other Environmental & Safety Problems

Nuclear proliferation and national security are particularly important problems since 911 and I have asked the NRC to refuse to grant LES an operating license unless URENCO opens all of its books and records to the United Nations International Atomic Energy Agency for inspection and is cleared of any direct or indirect, overt or covert involvement in the spread of centrifuge uranium enrichment technology.

I have also asked the NRC to require LES to submit a supplemental application stating that LES has a legally binding signed contingency agreement with a private

company that will be ready to accept LES waste for de-  
conversion before LES begins producing enriched uranium.

People in New Mexico call blowing dust and sand "New  
Mexico Rain". Many of you are familiar with the  
photographs of New Mexico Rain that have been passed  
out to people here in Eunice. LES tells us that emissions  
from the LES NEF ventilator stacks will be no worse than  
normal radiation from the sun but everybody knows that  
long term exposure to the sun causes sun burn and cancer.  
I have asked the NRC to look into the long term effect  
accumulations of radiation and UF6 gas from LES NEF  
emissions will have in the impact <sup>AREA</sup>~~area~~ on New Mexico Rain.  
I have also asked the NRC to look into the following  
problems:

1 - Increased Cancer Risk both for people who work at LES NEF and for people who live in the impact area.

2 - The Ogallala Aquifer and how the water shortage problem Lea County has now will be affected by the LES NEF and what affect an increase of 70,000 people in the Eunice and Lea County population would have on the Ogallala Aquifer.

3 - All aspects of contamination to Lea County water by LES NEF.

4 - Contamination of birds and animals in the impact area that will be caused by the LES NEF.

5 - Problems that would result from a major explosion and fire caused the by collision of various types of oil field trucks with one of the trucks hauling UF6 on the highway between Eunice and Andrews.

6 - Property devaluation caused by the LES NEF.

7 - The NRC should tell the people how much UF6 gas and radiation would be put into the air if there was a 911 type destruction of the LES NEF. Regardless of the probability factor, the people in the impact area have a right to know the facts about this worst case scenario.

8 - The enrichment plant at Almelo had its operating license revoked twice because URENCO allowed the plant to emit 28 times the authorized level of emissions. However, because of politics, big money and manipulations of the legal system the URENCO Almelo plant was never shut down. I have asked the NRC to require LES to put an iron clad guarantee in an amended license application clearly stating that the LES NEF will be immediately shut down if any emissions about the required levels are detected.

I want to thank the NRC for holding this meeting and for allowing me to make this presentation.