

'Canning,' Fuel Deliveries On Track in North Korea

- [Arms Control Today](#)

PROGRESS IMPLEMENTING the 1994 U.S. North Korean denuclearization accord continued in the last months of 1997 with the Energy Department topping the 95 percent mark for the "canning" of the North's spent fuel and the Korean Peninsula Energy Development Organization (KEDO) meeting its commitment—after a two month delay—to supply Pyongyang with its annual shipment of 500,000 tons of heavy fuel oil. The lag in completing the deliveries arose from both KEDO's continuing scarcity of resources and the poor facilities in North Korea for offloading and storing the fuel oil.

Although the last of the 1996 1997 fuel arrived in North Korea in early December the delivery cycle should have ended October 21), several weeks may be required to remove the oil from the supply ships. Perhaps due to its own role in delaying the completion of the deliveries, Pyongyang's public reaction to the missed October deadline has been limited to a stiff reminder to KEDO of its obligations.

KEDO was founded in 1995 by the United States, South Korea and Japan to implement the 1994 Agreed Framework, under which Pyongyang agreed to freeze operations at its 5 megawatt (electric) graphite moderated reactor and an accompanying spent fuel reprocessing plant at Yongbyon, and halt construction of two similar but larger reactors in exchange for annual shipments of heavy fuel oil and construction of two 1,000 megawatt (electric) proliferation resistant light water reactors (LWRs) as replacements.

KEDO's operations are funded by its 19 member states, but funding shortfalls have forced the consortium to borrow funds for more than one third of the total \$120 million in oil purchases since 1995. In 1997, KEDO added a spot to its Executive Board for the European Union, which bolstered the oil purchasing budget with a contribution of \$6 million that will be supplemented by five additional annual contributions of about \$18 million. The United States has been the main financial supporter of the heavy fuel oil program, contributing \$51 million since 1995, with an additional \$30 million promised for 1998.

In August 1997, KEDO broke ground for the LWR project at the Kumho site near Sinpo City in North Korea, and has since continued preparing the site for the thousands of workers who will eventually be coming to complete the project. Preliminary work, which will cost \$45 million, continued throughout the fall and early winter on construction infrastructure, delivery of equipment, and movement of one million cubic meters of dirt to level the site. KEDO has also been engaged in negotiations with the Korea Electric Power Corporation (KEPCO) over the terms of the prime, or "turn key" contract. KEDO hopes to conclude negotiations with KEPCO early in 1998 and to have site preparation finished by mid fall 1998.

Source URL: <https://www.armscontrol.org/act/1997-11/news/canning-fuel-deliveries-track-north-korea>