

(3) At this present juncture, we have the following two points in mind as ideas relating to concrete methods of inspection which might contribute to the proection of confidential information.

Note: This problem, which is one of the focal points of NTI, merits further consideration in detail, taking into account the results of other NTIs.

(a) A possibility of the idea of "step-by-step inspection"

- A method of dividing inspection into three stages and evaluating the result of inspection at the end of each stage. In case no doubt arises as a result of the evaluation at the end of each stage, inspection will be terminated at that point and will not proceed to the next stage.
- The adoption of this idea might be conducive to lessening the burden of inspection on civil facilities which give rise to relatively little suspicion. The essential problem, in this regard, is how to classify inspection items into each of three stages. While it is inevitable that inspection items for each stage differ from facility to facility, it seems worthwhile to work out common guidelines on this subject.

(b) Further consideratin on "Verification measures and identification of the specific area(s) and place(s) of a facility to be inspected"  
(Model for Schedule [2] facilities, CD/881, p. 125)

- The objective of inspection can be basically achieved by means of checking "input" of raw materials and "output" of products through a material balance.
- In principle, the intermediate process of production like reaction process should fall outside the scope of inspection because it relates to know-how which is closely guarded by commercial plants.
- Careful consideration should be given to avoiding unnecessary exposures of such a process to inspection, especially with respect to those facilities which produce listed chemicals solely as an intermediate material or only consume listed chemicals.

10. Opening conference

It is important to confirm fully the contents of the facility attachment at the opening conference for a verification inspection.

11. Types of records needed and/or audited

(1) It seems very difficult to have general provisions on records since the contents of records differ from facility to facility. However, records necessary to be checked are basically those relating to production, material, wastes and shipment. However, the name of each customer or the specific name of the destination and the price should be excluded from the check list, since they are considered the information of highest confidentiality for companies.