REQUEST REPLY BY 1/28/00

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

COMSECY-00-0005

OFFICE OF THE GENERAL COUNSEL

RELEASED TO THE PDR
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date initials

January 13, 2000

Approved subject to minor edit to the "Directive to Agency Employees."

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Karen D. Cyr
General Counsel

SUBJECT: ARMS CONTROL, NONPROLIFERATION, AND SECURITY ASSISTANCE ACT OF 1999

1/24/00

On November 29, 1999, President Clinton signed into law the Consolidated Appropriations Act for Fiscal Year 2000, Public Law 106-113. Incorporated into this omnibus legislation is the Foreign Relations Authorization Act for Fiscal Years 2000 and 2001. Division B of that authorization legislation was enacted as the "Arms Control, Nonproliferation, and Security Assistance Act of 1999" ("1999 Act").

Subtitle B of the 1999 Act amends existing law to impose generally more specific and stringent requirements on particular agencies, including the NRC, to report to Congress on certain nuclear export and non-proliferation activities. Attached for Commission review and approval is a draft All Employees Announcement to implement this new requirement.

1. Congressional Notification of Non-Proliferation Activities under the Nuclear Nonproliferation Act

a. Summary and Discussion

Subtitle B, Section 1131 of the 1999 Act revises and expands the obligation of the NRC and identified executive branch agencies[1] under Section 602(c) of the Nuclear Non-Proliferation Act of 1978 ("NNPA") to keep Congress "fully and currently informed" with respect to nonproliferation-related activities through notifications to the Senate Committee on Foreign Relations and Governmental Affairs and the House of Representatives Committee on

CONTACT: Grace Kim, OGC
(301) 415-3605

[1]The identified executive branch agencies include the Department of State, the Department of Defense, the Department of Commerce, the Department of Energy, and the Central Intelligence Agency.

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**Announcement No.**

**Date:**

**To:** **All NRC Employees**
**SUBJECT:** **REPORTING REQUIREMENTS OF THE NUCLEAR NON-PROLIFERATION ACT**

the agencies'

The Nuclear Nonproliferation Act of 1978, as amended ("NNPA"), requires the NRC and other executive branch agencies to keep the Senate Committee on Foreign Relations and Governmental Affairs and the House Committee on International Relations "fully and currently" informed with respect to the following activities: 1) their activities to carry out the purposes and policies of the NNPA and to otherwise prevent nuclear proliferation; and 2) the current activities of foreign nations which are of significance from the proliferation standpoint. The NRC and other identified agencies are required to transmit credible information on current activities of foreign nations which are of significance from the proliferation standpoint, including information contained in special access programs, not later than 60 days after becoming aware of the activity concerned.

This directive, mandated by recent legislation, is to notify NRC employees that all credible information with respect to the covered activities -- including information contained in special access programs -- that is a) generated by the NRC or b) received from an NRC licensee or an NRC license applicant must promptly be provided to the Director of the Office of International Programs, who shall in turn provide it to the Office of Congressional Affairs in sufficient time for the information to be provided to the appropriate congressional committees. These congressional reporting procedures will be incorporated in NRC's Management Directives.

/s/
Richard A. Meserve
Chairman