

August 15, 2001

Mr. Paul L. Leventhal, President
Nuclear Control Institute
1000 Connecticut Avenue, NW, Suite 410
Washington, D.C. 20036

Dear Mr. Leventhal:

The Commission has considered your letter, dated July 19, 2001, requesting a public meeting to discuss projected schedules and high-enriched uranium (HEU) inventory requirements in MDS Nordion's second annual report, particularly as these matters relate to the commitment to convert the MAPLE reactors and the New Processing Facility (NPF) to use low-enriched uranium (LEU) targets. For reasons briefly summarized below, we conclude that a public meeting would add little, if any, new information to that already in our possession and is not now necessary.

The NRC has been monitoring the Canadian medical isotope program for some time, largely in the context of ongoing HEU export license reviews. We obtain information from several sources on the operational status of the new isotope production facilities and the program to convert them to LEU. The NRC shares concerns about the delays in operating the MAPLE facilities, particularly given the uncertainties and risks of using the NRU as the sole medical isotope production source. We understand the Canadian priority now placed on operating the new isotope production facilities as soon as possible. Achieving this objective will ultimately provide the foundation for the LEU conversion program, as well as a basis on which to judge future HEU exports.

The information provided by MDS Nordion in its second annual report reflects the present uncertainties. Despite the current focus on resolving MAPLE operational issues, the LEU conversion program appears to be proceeding in good faith. As for MDS Nordion's plans to acquire HEU, we were recently informed, as reflected in the enclosed letter, that HEU shipments which had been scheduled for the first half of calendar year 2002 for the MAPLE reactors are being deferred until the operational status of the facilities is more certain.

We value NCI's continued interest in the MAPLE LEU conversion program and look forward to future interactions.

Sincerely,

/RA/

Richard A. Meserve

Enclosure: July 30, 2001 Letter from AECL

August 15, 2001

Mr. Alan J. Kuperman
Senior Policy Analyst
Nuclear Control Institute
1000 Connecticut Avenue, NW, Suite 410
Washington, D.C. 20036

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