

MAY 31 1996

MEMORANDUM TO: Lynn Silvious, Chief
Information Security Branch
Division of Security

FROM: C. W. (Chuck) Emeigh, Section Leader 151
International Safeguards Section
Regulatory and International Safeguards Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: NRC FACILITY PROVIDING ACCESS TO AND RELEASING CLASSIFIED
NATIONAL SECURITY INFORMATION TO REPRESENTATIVES OF THE
INTERNATIONAL ATOMIC ENERGY AGENCY

An NRC licensee, B&W Naval Nuclear Fuel Division, has received high enriched uranium (HEU) that the U. S. Government purchased from Kazakstan. The purchase agreement stipulated that the HEU would be subject to international safeguards. To this end, the U.S. Government has recently notified the International Atomic Energy Agency (IAEA) that portions of the B&W facility are eligible for the application of IAEA safeguards. My staff assisted B&W in obtaining a new Reporting Identification Symbol ("XUY") for reporting information on the downblending of HEU. Since the quantity of HEU will likely be classified Confidential National Security Information pursuant 10 CFR Part 95, Appendix A, please provide a written disclosure to B&W authorizing them to disclose and provide information for the Reporting Identification Symbol "XUY" to the IAEA in accordance with 10 CFR Part 95.36. Such a disclosure could direct the B&W operators to stamp any classified information contained under Reporting Identification Symbol "XUY" as "Releasable to IAEA."

If you have any questions, please contact me on 415-7836.

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