

April 2, 2004

Mr. Paul L. Leventhal
Founding President
Nuclear Control Institute
1000 Connecticut Avenue, NW
Suite 400
Washington, D.C. 20036

Dear Mr. Leventhal:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of February 26, 2004, concerning MDS Nordion, and the request by Atomic Energy of Canada Limited to schedule the second shipment of 15 kg of highly enriched uranium (HEU), authorized for export under the fourth amendment to export license XSNM03171, for production of medical isotopes at the NRU reactor and associated processing facility in Canada. Prior to receiving your letter, the NRC had already asked for the views of the interested Executive Branch agencies regarding the request. The Executive Branch was also advised of the relevance of this request to schedule the second shipment to NRC's review of a proposed amendment (XSNM03171/05) to transfer that export license from Transnuclear, Inc., to the Department of Energy's Oak Ridge Operations Office.

NRC will not act on these two pending export license matters until the Executive Branch views are received and analyzed. The NRC has forwarded your letter to the Executive Branch and asked that your comments be considered.

The NRC shares your concerns regarding the use of HEU and agrees that conversion to low-enriched uranium (LEU) fuel and LEU targets is an important global nuclear nonproliferation objective.

Sincerely,

/RA/
Nils J. Diaz

cc: Alan J. Kuperman, NCI

April 2, 2004

Mr. Alan J. Kuperman
Senior Policy Analyst
Nuclear Control Institute
1000 Connecticut Avenue, NW
Suite 400
Washington, D.C. 20036

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/RA/
Nils J. Diaz

cc: Paul L. Leventhal, NCI

Identical letter sent to:

Mr. Paul L. Leventhal
Founding President
Nuclear Control Institute
1000 Connecticut Avenue, NW
Suite 400
Washington, D.C. 20036
cc: A. J. Kuperman

Mr. Alan J. Kuperman
Senior Policy Analyst
Nuclear Control Institute
1000 Connecticut Avenue, NW
Suite 400
Washington, D.C. 20036
cc: P. L. Leventhal