

March 14, 2006

MEMORANDUM TO: Chairman Diaz  
Commissioner McGaffigan  
Commissioner Merrifield  
Commissioner Jaczko  
Commissioner Lyons

FROM: Janice Dunn Lee, Director **/RA/**  
Office of International Programs

SUBJECT: ANNUAL REPORT FOR 2005 ON CONVERTING THE HFR  
PETTEN REACTOR TO LEU FUEL

In accordance with SRM-S01-0040 and Commission Memorandum and Order CLI-00-16 in the matter of Transnuclear, Inc., export Licence No. XSNM02611, the attached letter from the Department of State provides the fifth annual report on the status of converting the Petten High Flux Reactor (HFR Petten) in the Netherlands from high enriched uranium (HEU) to low enriched uranium (LEU) fuel. According to the letter, the HFR Petten conversion project made excellent progress in 2005 and is on schedule to complete conversion to LEU fuel by May 2006. Contracts necessary to proceed with the project were concluded and LEU fuel elements were purchased and delivered in 2005. LEU conversion began with the insertion of the first LEU assembly in November 2005.

The NRC license (XSNM02611/02), authorizing the export of HEU fuel to HFR Petten, expired on December 31, 2003. The final HEU shipment under that license was made in early 2003.

Attachment: Letter dated March 13, 2006, from R. DeLaBarre,  
State Department to J. Dunn Lee, NRC

cc: SECY  
OGC  
EDO  
OCA  
OPA  
NRR  
NMSS  
RES  
NSIR

CONTACT: Janice Owens, OIP  
415-3684

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