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

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February 25, 1977

MEMORANDUM FOR: Joseph Nye

FROM: Ben Huberman *BH*

In general, we find the PRM-15 report provides a good analytical basis for decision making. The Commissioners will be giving final agency comments on the recommendations in the report to the White House next week, after they review the final version of the report.

Two major additional points need to be stressed in the present report. (They are incorporated with other, less significant suggested wording changes below.)

First, the legislative proposals we will be making in the next weeks are very important. In the last session of Congress, NRC worked closely with the Executive Branch to frame a legislative proposal we could mutually support. It would be desirable for NRC and the present Administration to work together in the same way to present legislation that will be supported both by the Commission and the Executive Branch.

Second, from our perspective, it is important to note that one function of the further interagency work on reprocessing will be to prepare Executive Branch input to the NRC's generic mixed oxide decision. As work on this decision progresses, the Commission anticipates receiving Executive Branch input particularly in the areas of non-proliferation implications of domestic reprocessing and technical alternatives to an LWR MOX fuel cycle.

We have the following specific comments:

- Page 5, line 6: Change "a domestic moratorium on" to "deferral of a decision on domestic"
- Page 9, line 16: After "... now operating" add "in nuclear weapons states" (if that is what is intended; if not, the appropriate clarification should be made)
- Page 10. The first complete paragraph should reflect the alternatives on page 51.

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- Page 10 bottom of page. It should be made clear whether the international fuel assurance fund is to deal in money, SWU's, etc.
- Page 11 the second sentence in the first full paragraph should be changed to read: "In so far as the United States is concerned, legislation will be sought to establish licensing criteria as a basis for NRC and Executive Branch action on specific export licenses. Legislation will also be designed to give the President authority to override any NRC refusals to issue export licenses on the basis of his judgment that important national security interests so require, i.e., when he regards denial of such licenses as contrary to the national interest and adverse to U.S. non-proliferation interests."
- Page 19, sixth line from bottom: Change "has" to "anticipates."
- Page 19 fifth line from bottom change "separate" to "related"
- Page 23 line 14: After "the Administration" add "in cooperation with NRC"
- Page 31 line 4: The word "our" needs to be clarified to specify whether reference is made to the US domestic program, the US international fuel cycle policy, or both.
- Page 32 add a sentence after the first full paragraph: "The interagency task force will also be responsible for developing Executive Branch input into the nonproliferation aspects of NRC's reprocessing/recycle decision (GESMO)".
- Page 37, fifth line from bottom: After "consent to" add "foreign"
- Page 41, fifth line from bottom: After "Commission", insert "a more deliberate review of export licenses by all agencies",
- Page 47, footnote: add "license issuance is" after "even if", in second line from bottom.
- Page 48, second line from bottom: After "national security" insert "aspects of foreign relations"
- ✓ -- Page 52, line 4: Delete "attractive"
- Page 57, last full paragraph: The special problems with Egypt should be addressed.

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- Page 65, eighth line from bottom: delete "technical"
- Page 70 Recommendation 18: Change "violates" to "materially violates"
- Page 75 line 3: after "administration" add "in cooperation with NRC"
- Page 76 add a tick: "-- the recipient country will apply adequate physical security measures to protect significant quantities of weapons usable materials."
- Page 79 Recommendation 22 second tick: Change "a possible Congressional veto at the override by joint resolution" to read " a Congressional review of the override."

CC: Lou Nosenzo

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