



United States Department of State

Washington, D.C. 20520

September 23, 2008

Ms. Margaret M. Doane
Director, International Programs
United States Nuclear Regulatory Commission
Rockville, Maryland

XMAT409
2 pages

Dear Ms. Doane:

I refer to the request from your office dated July 3, 2008 for the views of the Executive Branch as to whether the issuance of an export license in accordance with the application hereinafter described meets the applicable criteria of the Atomic Energy Act of 1954, as amended (Atomic Energy Act):

XMAT409 – Cambridge Isotope Laboratories (CIL) proposes to export to its subsidiary in France, Euriso-Top, up to 8,600 kilograms of deuterium gas and deuterium oxide (heavy water) for resale to customers in France and to one German customer in the form of labeled compounds or in small quantities for the production of such compounds.

Euriso-Top sales to its German customer total from 100 to 200 kg of heavy water annually.

It is the judgment of the Executive Branch that the proposed export will not be inimical to the common defense and security of the United States, and is consistent with the provisions of the Atomic Energy Act.

Non-nuclear weapon EU member states have committed themselves to maintain IAEA safeguards on all their peaceful nuclear activities and have pledged not to produce or otherwise acquire any nuclear explosive device, therefore satisfying criteria (1) and (2) of Section 109b of the Atomic Energy Act for exports of nuclear components, substances and items, including deuterium and heavy water. With regard to the EU-member nuclear weapon states, France and the United Kingdom, Section III(2) of the NPT does not require that IAEA safeguards apply to nuclear –weapon states, and therefore Criterion (1) of section 109b of the Atomic Energy Act is met with respect to those states. The 1996 and 1979 Euratom assurances for all EU member states include generic no nuclear explosive use assurances, thereby satisfying Criterion (2) for France and the UK.

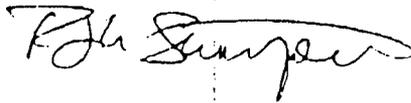
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The remaining criterion, agreement not to retransfer any of the U.S. – supplied nuclear components, substances or items, including bulk quantities of deuterium gas or heavy water, without prior U.S. Government consent, has been satisfied by the aforementioned 1996 Euratom assurances, copies of which have been previously provided to your office.

Re-exports of deuterium gas, heavy water and deuterium compounds in small quantities for non-nuclear use are not of concern as they are not of significance for nuclear purposes and if exported from the U.S. would be authorized for export under NRC General License.

On the basis of the foregoing, the Executive Branch recommends that the license be issued.

Sincerely,



Richard J. K. Stratford
Director

Nuclear Energy, Safety and Security Affairs