

NRC FORM 7 (8-2011) 10 CFR 110		U.S. NUCLEAR REGULATORY COMMISSION		APPROVED BY OMB: NO. 3150-0027		EXPIRES: 08/31/2012	
APPLICATION FOR NRC EXPORT OR IMPORT LICENSE, AMENDMENT, RENEWAL, OR CONSENT REQUEST(S) (See Instructions on Pages 4 and 5)				Estimated burden per response to comply with this mandatory collection request: 24 hours. This submittal is reviewed to ensure that the applicable statutory, regulatory, and policy considerations are satisfied. Send comments regarding burden estimate to the Information Services Branch (T-5 F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by internet e-mail to Infocollects.Resource@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0027), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.			
PART A. FOR NRC USE ONLY		<input checked="" type="checkbox"/> PUBLIC OR <input type="checkbox"/> NON-PUBLIC		DATE RECEIVED MAR 27 2012 <i>Rec'd JC</i>			
LICENSE NUMBER XCOM 1245		DOCKET NUMBER 11005999		ADAMS ACCESSION NUMBER			
PART B. TO BE COMPLETED FOR ALL LICENSES, AMENDMENTS, RENEWALS, OR CONSENT REQUESTS (If more space is needed to complete any of the items, use Pages 3-4 first, and then attach additional sheets, if necessary.)							
1 NAME AND ADDRESS OF APPLICANT/LICENSEE Transco Products Inc. 55 E. Jackson Blvd. Suite 2100 Chicago, IL 60604-4166			1a. NAME OF APPLICANT'S CONTACT Edward Wolbert		1b. APPLICANT'S REFERENCE NUMBER		
			1c. PHONE NUMBER (312) 896-8501		1d. FAX NUMBER (312) 427-4975		
			1e. E-MAIL ADDRESS edwolbert@transcoproducts.com				
2. TYPE OF ACTION REQUESTED (Check One)							
<input checked="" type="checkbox"/> EXPORT (Parts B, C, E)		<input type="checkbox"/> IMPORT (Parts B, D, E)		<input type="checkbox"/> AMENDMENT/RENEWAL Current License Number: See Page 3		<input type="checkbox"/> CONSENT REQUEST (Parts B, C) Current License Number:	
3 CONTRACT NUMBER(S)		4. FIRST SHIPMENT DATE 07/01/2012		5 LAST SHIPMENT DATE 12/31/2012		6 PROPOSED EXPIRATION DATE 12/31/2013	
PART C. TO BE COMPLETED FOR EXPORT LICENSES, AMENDMENTS, RENEWALS OR CONSENTS (If more space is needed to complete any of the items, use Pages 3-4 first, and then attach additional sheets, if necessary.)							
7. NAME(S) / ADDRESS(ES) OF SUPPLIERS AND/OR OTHER PARTIES TO THE EXPORT Not Applicable			8 NAME(S) / ADDRESS(ES) OF INTERMEDIATE FOREIGN CONSIGNEE(S) Not Applicable		9. NAME(S) / ADDRESS(ES) OF ULTIMATE FOREIGN CONSIGNEE(S) Eletrobrás Termonuclear S/A - Eletronuclear Central Nuclear AAA Rodovia Gov. Mario Covas, BR 101-KM 517 Praia de Itaorna, 23948-000 Angra dos Reis, RJ Brazil 55 24 3362 9328		
7a. FUNCTION(S) PERFORMED/SERVICE(S) PROVIDED Not Applicable			8a. INTERMEDIATE USE(S) Not Applicable		9a. ULTIMATE END USE(S) Thermal insulation for RPV		
10 DESCRIPTION OF RADIOACTIVE MATERIALS, SEALED SOURCES, NUCLEAR FACILITIES, EQUIPMENT, OR COMPONENTS; FOR NUCLEAR EQUIPMENT INCLUDE TOTAL DOLLAR VALUE OF EQUIPMENT FOR EXPORT See Page 3				10a. MAX TOTAL VOLUME / ELEMENT WGT (KG), OR TOTAL ACTIVITY (TBq) Not Applicable		10b. MAX ENRICHMENT OR WGT % Not Applicable	10c. MAX ISOTOPE WGT (KG) Not Applicable
11. FOREIGN OBLIGATIONS (BY COUNTRY AND BY PERCENTAGE OF MAXIMUM TOTAL VOLUME) Not Applicable							MAR 27 2012 <i>Rec'd JC</i>

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APPLICATION FOR NRC EXPORT OR IMPORT
LICENSE, AMENDMENT, RENEWAL, OR CONSENT REQUEST(S) (Continued)

LICENSE NUMBER XCOM 1245	DOCKET NUMBER 11005999	ADAMS ACCESSION NUMBER	<input checked="" type="checkbox"/> PUBLIC OR <input type="checkbox"/> NON-PUBLIC
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PART D. TO BE COMPLETED FOR IMPORT LICENSES, AMENDMENTS, OR RENEWALS
(If more space is needed to complete any of the items, use Pages 3-4 first, and then attach additional sheets, if necessary.)

12. NAME(S) / ADDRESS(ES) OF FOREIGN SUPPLIERS AND/OR OTHER PARTIES TO IMPORT	13. NAME(S) / ADDRESS(ES) OF INTERMEDIATE CONSIGNEE(S)	14. NAME(S) / ADDRESS(ES) OF ULTIMATE U S CONSIGNEE(S)	
12a. NRC EXPORT LICENSE NUMBER(S) (if applicable)	13a. LICENSE NUMBER(S) / EXPIRATION DATE(S)	14a. LICENSE NUMBER(S) / EXPIRATION DATE(S)	
	13b. INTERMEDIATE USE(S)	14b. ULTIMATE END USE(S)	
15. DESCRIPTION OF RADIOACTIVE MATERIALS, SEALED SOURCES, NUCLEAR FACILITIES	15a. MAX TOTAL VOLUME / ELEMENT WGT (KG), OR TOTAL ACTIVITY (TBq)	15b. MAX ENRICHMENT OR WGT %	15c. MAX ISOTOPE WGT (KG)
16. FOREIGN OBLIGATIONS (BY COUNTRY AND BY PERCENTAGE OF MAXIMUM TOTAL VOLUME)			

PART E. TO BE COMPLETED FOR ALL LICENSES, AMENDMENTS, RENEWALS OR CONSENT REQUEST(S)

17. ADDITIONAL INFORMATION PROVIDED ON PAGES 3, 4, AND/OR ON SEPARATE SHEETS? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	17a. COPIES OF RECIPIENTS' AUTHORIZATIONS PROVIDED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
18. CERTIFICATION: I, the applicant's authorized official, hereby certify that this application is prepared in conformity with Title 10, Code of Federal Regulations, and that all information provided is correct to the best of my knowledge.		
18a. PRINT NAME AND TITLE OF AUTHORIZED OFFICIAL Edward J. Wolbert President/CEO	18b. SIGNATURE -- AUTHORIZED OFFICIAL 	18c. DATE 3/13/12

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APPLICATION FOR NRC EXPORT OR IMPORT
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ADDITIONAL INFORMATION (Reference applicable block numbers from page 1 and/or page 2 for each entry)

Block 2:

Transco Products Inc. ("TPI") requests a specific license under 10 C.F.R. 110.31 from the NRC for the export of a small number of replacement panels for metal reflective insulation ("MRI") to a customer in Brazil for use at a commercial nuclear power plant. Alternatively, TPI requests an exemption under 10 C.F.R. 110.10 from the requirement for a specific license for the export of the MRI replacement panels to Brazil. TPI is requesting an exemption for the export activities described above as an alternative to an NRC specific export license because the scheduled date of export, which is governed by a contractual obligation, is July 2012. If this schedule does not leave enough time to process an export license application (due, for example, to the need to obtain any necessary assurance from the Brazilian government prior to export), TPI would request an exemption pursuant to 10 CFR 110.10.

As required under Section 110.10(a), this exemption (i) is authorized by law; (ii) is not inimical to the common defense and security; and (iii) does not constitute an unreasonable risk to the public health and safety, for the following reasons:

- (1) Brazil has entered into a Section 123 Agreement with the United States. Therefore providing an exemption for this transaction would be consistent with the U.S. policy and law to facilitate cooperation on peaceful uses of nuclear energy with Brazil. TPI's MRI was previously exported by Westinghouse for use at Angra 1.
- (2) In addition to renouncing the development of nuclear weapons, Brazil, as a signatory to the Nuclear Nonproliferation Treaty, a party to the Tlatelolco Treaty, and member of the Nuclear Suppliers Group, has committed to international norms with regard to nuclear nonproliferation. Brazil, along with Argentina, has also established the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials ("ABACC"), a binational safeguards agency responsible for verifying the peaceful use of nuclear materials that was set up with full-scope International Atomic Energy Agency ("IAEA") safeguards. The ABACC has safeguards jurisdiction over, among other types of facilities, all commercial nuclear power plants in Brazil.
- (3) The supply of MRI to the Angra 1 nuclear power plant in Brazil would improve the reactor's operational safety by reducing the risk of ECCS blockage associated with other types of insulation, and therefore would enhance public safety. The replacement panels are replacement in kind, meeting essentially the same form, fit and function as the materials originally supplied when the plant was built in 1981 and the MRI sent in July 2011.

Block 10:

The export of 5 replacement panels for MRI, together with two support steel clamps and some extra raw sheet metal stock. The total value of the replacement items is approximately \$2,500.

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Edward J. Wolbert | President & CEO
edwolbert@transcoproducts.com

10 C.F.R. 110.31

March 13, 2012

Deputy Director, Office of International Programs
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Rockville, MD 20852

**Re: Application for Specific License for Export of Metal Reflective Insulation to Brazil
or in the Alternative a Request for Exemption**

Dear Deputy Director:

Transco Products Inc. ("TPI") hereby requests a specific license under 10 C.F.R. 110.31 from the NRC for the export of replacement panels for metal reflective insulation ("MRI") to a customer in Brazil for use at a commercial nuclear power plant. Alternatively, as explained below, TPI requests an exemption under 10 C.F.R. 110.10 from the requirement for a specific license for the export of the MRI replacement panels to Brazil.

MRI is an assembly of stainless steel sheet metal and foil, which is formed into panels (mostly rectangular in shape). As explained in TPI's "Supplemental Information from Transco Products, Inc. Regarding its Voluntary Self-Disclosure," which was submitted to the NRC on February 1, 2012, TPI previously exported MRI to Central Nuclear Almirante Álvaro Alberto, a nuclear complex in Brazil, for use in the Angra 1 nuclear power plant in July 2011. Angra 1 is a Westinghouse pressurized water reactor unit. TPI's MRI (along with MRI supplied by another U.S. supplier) was installed when Angra 1 was originally constructed in 1981 (the original insulation was provided to Westinghouse, who exported it to Brazil). As further explained in another supplemental letter that TPI submitted to the NRC on February 27, 2012, MRI is similar in purpose to fiberglass insulation, which is not subject to the NRC's Part 110 regulations.

As explained in the February 1, 2012 letter, TPI exported the July 2011 shipment of MRI without an NRC specific export license because at the time TPI believed that MRI was subject to the Department of Commerce's export control regulations and not the NRC's export licensing regulations. In a December 23, 2011 letter to TPI, the NRC explained that TPI's MRI is subject

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to the NRC's Part 110 regulations, and thus TPI submitted to the NRC the February 1, 2012 supplement to its voluntary self-disclosure pertaining to the July 2011 shipment to Brazil. As noted in the February 1, 2012 supplement, TPI needs to export a limited amount of replacement panels, together with two support steel clamps and some extra raw sheet metal stock, to replace some of the MRI shipment exported last July. The total value of the replacement items is approximately \$2,500.

Specifically, after the July 2011 shipment, it was identified that 5 panels out of 63 panels (totaling approximately 400 square feet) needed to be replaced. Pursuant to the contractual arrangement with our customer in Brazil, TPI desires to ship the replacement panels by July 2012. Accordingly, TPI is submitting this export license application in order to make the upcoming scheduled shipment of the replacement panels. The anticipated delivery would be in July 2012, and activities would involve delivery of the material and final installation at the site.

Alternatively, TPI requests an exemption under 10 C.F.R. 110.10 from the requirement for a specific license for the export of the replacement panels to Brazil. We respectfully submit that, as required under Section 110.10(a), this exemption (i) is authorized by law; (ii) is not inimical to the common defense and security; and (iii) does not constitute an unreasonable risk to the public health and safety.

First, Brazil has entered into a Section 123 Agreement with the United States. Therefore providing an exemption for this transaction would be consistent with the U.S. policy and law to facilitate cooperation on peaceful uses of nuclear energy with Brazil. As noted above, TPI's MRI was previously exported by Westinghouse for use at Angra 1. Accordingly, the planned shipment would not be the initial export of such equipment to this foreign reactor, and therefore should not require Executive Branch assistance to obtain foreign government assurances (see 10 CFR 110.41(a)(7)).

Second, in addition to renouncing the development of nuclear weapons, Brazil, as a signatory to the Nuclear Nonproliferation Treaty, a party to the Tlatelolco Treaty, and member of the Nuclear Suppliers Group, has committed to international norms with regard to nuclear nonproliferation. Brazil, along with Argentina, has also established the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials ("ABACC"), a binational safeguards agency responsible for verifying the peaceful use of nuclear materials that was set up with full-scope International Atomic Energy Agency ("IAEA") safeguards. The ABACC has safeguards jurisdiction over, among other types of facilities, all commercial nuclear power plants in Brazil.

Third, the supply of MRI to the Angra 1 nuclear power plant in Brazil would improve the reactor's operational safety by reducing the risk of ECCS blockage associated with other types of insulation, and therefore would enhance public safety. The replacement panels are replacement

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March 13, 2012
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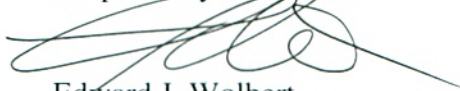
in kind, meeting essentially the same form, fit and function as the materials originally supplied when the plant was built in 1981 and the MRI sent in July 2011. The plant has also purchased fiberglass blanket insulation, which serves essentially the same function as TPI's MRI, for piping and equipment in the Angra 1 containment from other U.S. suppliers.

TPI is requesting an exemption for the export activities described above as an alternative to an NRC specific export license because the scheduled date of export, which is governed by a contractual obligation, is July 2012. If this schedule does not leave enough time to process an export license application (due, for example, to the need to obtain any necessary assurance from the Brazilian government prior to export), TPI would request an exemption pursuant to 10 CFR 110.10.

We understand from your staff that the proposed export is considered to fall under the fee schedule set forth in 10 C.F.R. 170.21(K)(3). A check in the amount of \$4,400 is enclosed to cover the appropriate fee. A completed NRC Form 7, which is required under 10 C.F.R. 110.31(b) for both a specific export license application and an exemption request, is attached.

Should you have any questions or comments concerning this request, please do not hesitate to contact me at (312) 896-8501.

Respectfully submitted,



Edward J. Wolbert
President/CEO
Transco Products Inc.

Cc: Ms. Brooke Smith, Nuclear Regulatory Commission
Ms. Jill Shepherd-Vladimir, Nuclear Regulatory Commission

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