

May 22, 1978

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

SECY-78-272

INFORMATION REPORT

For: The Commissioners

From: James R. Shea, Director, Office of International Programs

Thru: Executive Director for Operations *C. J. Dunn*

Subject: STATUS OF NRC STAFF REVIEW OF PROPOSED EXPORTS

Purpose: To inform the Commission of the status of (1) exports under NRC staff review prior to May 9 which remain pending and (2) Executive Branch export analyses received between May 9 and 18.

Discussion: I. Previously Pending Cases

The following is the status of export applications being processed by the NRC staff prior to May 9 and still pending;*

A. High-Enriched Uranium/Plutonium

1. Mixed Oxide Fuel to France, Creys-Malville Fast Reactor (Application XSNM-744)

This material was originally destined for use in Italy. The Executive Branch forwarded a favorable recommendation to the NRC on this basis on December 27, 1977. Staffing of this paper was delayed pending clarification of the end-use statement. A new end-use statement indicating the material will be used in France was forwarded to the Executive Branch for its review on May 12.

2. (HEU to Romania for TRIGA Reactor; Application XSNM-885)

Initial Executive Branch analysis and favorable recommendation were received on March 28. A

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*In addition to the cases listed in this section, export applications 1183, 1216, 1217, 1244, 1147, and 1074 were also pending before the staff before May 9; supplementary analyses have since been received from the Executive Branch on the cases and they are discussed in Section II. Finally, the Presidential authorization of XSNM-1060 for fuel to Tarapur remains before Congress.

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Discussion:
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revised Executive Branch analysis was forwarded on April 20. During preparation of the Commission paper NMSS sought clarification of physical security matters (which have now been resolved) and IP questioned the lack of certification from the Executive Branch that Romania had met certain IAEA requirements under the Project Agreement; the latter was also resolved recently when the appropriate certification was received. IP is currently seeking information about a planned Hot Cell facility adjacent to the reactor site not discussed in the Executive Branch submission. The staff analysis is now being reworked to reflect these and other questions on this export.

3. HEU to France (Osiris and Triton Reactors; Application XSNM-1020, SECY-78-199)

A paper on the proposed export was forwarded to the Commission on April 7. This paper did not reach the Commission in time to be approved along with the nine licenses for HEU issued that day to EURATOM and is now awaiting resolution of the EURATOM impasse.

4. HEU to the FRG and the Netherlands (BER II, AVR, and HOR Reactors; Application XSNM-1104)

Physical security matters are still being reviewed by the NRC staff and we are awaiting a response from abroad to our inquiries on this subject. Resolution of the EURATOM impasse is also awaited.

My May 11 memorandum (Confidential) to Commissioner Kennedy reviews the processing of this and related Netherlands licenses (below).

5. HEU to the Netherlands (HFR Petten Reactor; Application XSNM-1129)

This export has been delayed for the same reason as XSNM-1104 above.

6. HEU to the Netherlands (HFR Petten Reactor; Application XSNM-1149)

This export has been delayed for the same reason as XSNM-1104 above.

Discussion:

7. HEU to the Republic of Korea (KORR-2 Reactor; Application XSNM-1173)

Initial Executive Branch analysis and favorable recommendation were received on March 28. IP received a revised Executive Branch submission on May 18 which will be analyzed by the staff before being forwarded to the Commission for review.

B. Low-Enriched Uranium

1. LEU to the FRG (Conversion at RBU and Return to the U.S. for Domestic Use: Application XSNM-1,24)

Executive Branch views and favorable recommendation were received on March 13. The staff paper sent to the Commission on April 6 was put on hold at the request of the Executive Branch because the large quantity requested would exceed the material ceiling in the US-EU ATOM Agreement. We have been informed by State's memorandum of May 18 that the Executive Branch has now resolved this problem and is recommending approval despite the EURATOM impasse in view of the end-use statement and the fact that the material is transiting EURATOM en route to the U.S.

II. Recently Received Cases

1. Low-Enriched Uranium to EURATOM

- XSNM-1260: Reload for Doel-2 Reactor, Belgium
 XSNM-1242: Reload for Unterweser Reactor, the FRG
 XSNM-1258: Reload for Kernkraftwerk Obrigheim Reactor, the FRG
 XSNM-1210: Reload for Stade Reactor, the FRG
 XSNM-1277: Reload for Philippsburg Reactor, the FRG
 XSNM-1281: Reload for Grohnde I Reactor, the FRG
 XU-8408: Depleted Uranium for Shielding Blocks, France

Discussion:
(Continued)

The Executive Branch recommends that these license applications be approved at such time as State notifies the Commission that EURATOM agrees to renegotiate its Agreement for Cooperation with the U.S. The staff plans, consistent with other priority licenses, to prepare and process to the extent possible at the staff level papers analyzing these and subsequent similar cases not meeting criterion 5 and will periodically inform the Commission of the status of such licenses. The timing of actual forwarding of these cases to the Commission will be reviewed when the papers have completed staff review.

XSNM-1249: Uranium Recovery at BNFL (UK) for return to the U.S.

In view of the limited Community (UK) role in this export, the Executive Branch has concluded that EURATOM has met the functional equivalent of criterion 5 and recommends that the license be issued. A paper is circulating for staff concurrence and will be forwarded shortly.

2. Low-Enriched Uranium to Spain

XSNM-1147: Initial core for Cofrentes Reactor

XSNM-844, Amendment 01: Reloads for Almaraz 1 and 2

License No. XSNM-1147 was issued on May 19.

The Executive Branch also recommends issuance of the license to fuel the Almaraz reactors. A paper will be forwarded shortly for Commission approval, following which future routine LEU reloads to Spain will not be referred to the Commission.

3. Low-Enriched Uranium to Japan

XSNM-1183: Reload core for Joyo Reactor

XSNM-1216: Reload for Fukushima I Reactor

XSNM-1217: Reload for Mihama 3 Reactor

XSNM-1244: Initial core for Genkai 2 Reactor

Discussion:
(Continued)

XSNM-1170: Reload for Ohi I Reactor

XSNM-1215: Reload for Fukushima 2 Reactor

XSNM-1221: Reload for Ikata I Reactor

The Executive Branch recommends issuance of these seven license applications. Commission papers are in preparation for XSNM-1183, XSNM-1216, and XSNM-1244. The staff plans to issue the remaining licenses for routine reloads without Commission review pursuant to 10 CFR 110.40(b)(2) upon favorable Commission action on XSNM-1216.

(The first four analyses supplement favorable recommendations submitted by the Executive Branch prior to the enactment of the Nonproliferation Act.)

4. Low-Enriched Uranium to Austria

XSNM-1233: Reload for Tullnerfeld Reactor
(will transit through the FRG for fuel fabrication at RBU)

In view of the limited Community (FRG) role in this export, the Executive Branch has concluded that the functional equivalent of criterion 5 is met by EURATOM and has recommended issuance of this license. A paper is circulating for staff concurrence and will be forwarded to the Commission shortly.

5. Low-Enriched Uranium to Switzerland

XSNM-1227: Initial core for Leibstadt Reactor

It should be noted that the applicant has requested the initial core, three reloads and spares along with 1 gram of HEU to be used as a neutron detector. The Executive Branch will reserve judgment on the balance of the enriched uranium covered in this application until such time as new policy and procedures with respect to multiple reloads have been adopted.

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Discussion:
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The applicant has informally advised us that he prefers no license be issued until the Executive Branch approves the entire reload amount due to possible loss of contract with the Swiss. We have discussed this with the Executive Branch and they are reconsidering the case.

6. High-Enriched Uranium to Sweden

XSNM-1074: Fuel for Studsvik R-2 Reactor
(will transit through the FRG
for fuel fabrication at NUKEM)

State has forwarded a revised analysis to supplement the Executive Branch's favorable recommendation of March 3. In addition, State has noted that due to the limited Community (FRG) role in this export as an intermediate consignee, the Executive Branch believes the functional equivalent of criterion 5 is met with respect to EURATOM and therefore recommends issuance of the license. A staff paper recommending approval of this export was forwarded to the Commission on May 11 (SECY-78-216A).

7. High-Enriched Uranium to the Republic of China

XSNM-711: 70% enriched fuel for Tsing Hua Open-Pool Reactor

The Executive Branch has returned this application without action since the reactor operator has agreed to reduce the enrichment level of the reactor fuel from 70% to 20%. The applicant has been notified and will either withdraw or amend the application.

8. Nuclear Power Reactors for the Republic of China

XR-113: Two 2,785 MWT Power Reactors for Manshan, ROC (Taipower 5 and 6)

The Executive Branch has provided a favorable recommendation that this license be issued. A Commission paper is currently being drafted.

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Discussion:
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9. High-Enriched Uranium to Brazil

XSNM-929: Fuel for IEAR-1 Reactor, Brazil

The Executive Branch informs us that the contract for fuel fabrication by U.S. Nuclear has been cancelled. State has returned this application without action and we will respond to the applicant accordingly.

10. Research Reactor for Iran

XR-109: 1,000 KWT Research Reactor (TRIGA Mark II)

The Executive Branch has returned this application without action as the ultimate consignee, the Institute of Nuclear Science, has not been granted the necessary authorization by the Iranian Government to receive and utilize a nuclear reactor. We are planning to return the application to the applicant without action.

11. Reactor to Canada

XR-115: Ship Propulsion

The Executive Branch has returned this application without action because no decision has yet been made by the Canadian Government on the use of nuclear power in the Polar VII. The applicant has requested that the application remain on file. Staff will discuss the case with the applicant.

12. Enriched Uranium to Korea

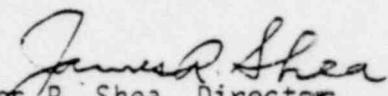
XSNM-1207: 70% Fuel for KORR-2 Reactor, Korea

XSNM-740, Amendment 01: LEU for KO-RI 1

On May 18, the Executive Branch provided a favorable recommendation that the two license applications to Korea be approved. The Executive Branch further noted that the KORR-2 research reactor, to which

Discussion:
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applications XSNM-1173 (discussed in Section I) and XSNM-1207 apply, has shut down since January 1978 as the result of a major fuel failure. The reactor will remain shut until the material covered by these two applications can be exported. The Executive Branch has therefore recommended prompt consideration and issuance of these licenses.


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