

October 22, 1979

COMMISSIONER ACTION

For: The Commissioners

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

Thru: Executive Director for Operations *TAR for L.V.G.*

Subject: EXPORT OF MIXED OXIDE FUEL ASSEMBLIES TO JAPAN
(XSNM-510, SECY 78-586B)

Purpose: To inform the Commission of the receipt of additional information from the Executive Branch and to request Commission approval to amend the subject export license.

Discussion: On January 22, 1979 in Secy 78-586B (CONFIDENTIAL) the staff forwarded its views on the proposed issuance of a two-year license extension to allow the export to Japan of the remaining quantity of plutonium (1,088 grams) not yet shipped under XSNM-510.

Subsequently, the Commission requested that the staff obtain formally the Executive Branch's views on this proposed extension, including the basis for any exemption to the President's plutonium export policy. Although the staff requested this information from State on March 15, we did not receive State's response until October 9 (enclosed).

In its response State reaffirms its recommendation that the amendment be granted and requests that NRC take the following into account in our review of this case:

1. This request predates the three "pending" cases mentioned in the President's memorandum of November 14, 1977 (see page 3, paragraph 2). Since this license had already been issued and was not "pending" at that time, State believes this case should be "grandfathered."

Contact:
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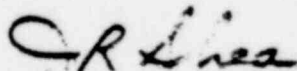
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2. State is not aware of any plans by the President to restrict or invalidate any existing license for the export of plutonium to be used for mutually acceptable purposes in countries with sound nonproliferation credentials.
3. In State's view the extension of XSNM-510 would not constitute a new commitment.
4. State considers that this extension falls within the guidelines of the President's policy, as promulgated in November 1977.
5. The quantity of material remaining to be exported is relatively small in light of the amount of material already exported under this license.

In view of State's assessment, the staff is prepared to reaffirm its recommendation that the Commission authorize the amendment of export license XSNM-510 to expire on December 31, 1980. Because of the concern he had expressed late last year about the shipment of plutonium under XSNM-510 at that time, the staff informed Leonard Weiss, of the Senate Energy Subcommittee, of the recent developments concerning this case and of the NRC staff's proposed course of action. Mr. Weiss indicated that, in his view, the proposed export of the additional 1.088 kilograms of material did not raise any significant concerns, but asked to be kept informed of future significant plutonium exports or retransfers. Based upon Mr. Weiss' comments, the staff does not believe that it is necessary to inform Congress further regarding this matter, as was suggested the Commission might consider doing in SECY-78-5868.

Recommendation: That the Commission authorize the staff to issue a license amendment extending the expiration date of XSNM-510 to December 31, 1980.

Coordination: ELD has no legal objection.


James R. Shea, Director
Office of International Programs

OCT 22 1979

Enclosure:
State ltr dtd 10/5/79,
Nosenzo to Shea

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NOTE: Commissioner comments should be provided directly to the Office of the Secretary, by c.o.b. Wednesday, October 31, 1979.

Commission staff office comments, if any, should be submitted to the Commissioners NLT October 29, 1979, with an information copy to the Office of the Secretary. If the paper is of such a nature that it requires additional time for analytical review and comment, the Commissioners and the Secretariat should be apprised of when comments may be expected.

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