

## DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFF AND SCIENTIFICAFF AND SCIENTIFIC AFF AND PROGRAMS XSNM0148)

JUN 2 0 1979

Mr. James R. Shea Director of International Programs United States Nuclear Regulatory Commission Room 6714 - MNBB Bethesda, Maryland

Dear Mr. Shea:

This letter is in response to your letter dated March 26, 1979, requesting Executive Branch views as to whether issuance of an export license in accordance with the application hereinafter described would be inimical to the common defense and security of the United States and whether the proposed export meets the applicable criteria of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 (P.L. 95-242):

NRC No. XSNM01481 -- Application by Transnuclear, Inc. for authorization to export to Switzerland 411.23 kilograms of U-235 contained in 11,584.0 kilograms of uranium enriched to a maximum of 3.55 percent, plus .0355 kilograms of U-235 contained in 1 kilogram of uranium as sampling material. This low enriched uranium in the form of uranium hexafluoride will be shipped to RBU-Reaktor Brennelement Union GmbH as intermediate consignee for conversion and fabrication into fuel assemblies. The finished fuel assemblies will be shipped to Switzerland for reload of the Beznau II Nuclear Power Plant at Doettingen.

The proposed export to the ultimate consignee in Switzerland would take place pursuant to the Agreement for Cooperation Between the United States and Switzerland as confirmed in a letter from the Embassy of Switzerland, a copy of which is enclosed. Switzerland has adhered to the provisions of its Agreement for Cooperation with the United States.

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The export of this nuclear material to the intermediate consignees in the Federal Republic of Germany would take place pursuant to the Additional Agreement for Cooperation Between the United States and the European Atomic Energy Community (EURATOM), as amended, as confirmed in a letter from the Delegation of the Commission of the European Communities, a copy of which is enclosed. EURATOM has adhered to the provisions of its Agreement for Cooperation with the United States.

The Executive Branch has reviewed this application and concluded that the requirements of the Atomic Energy Act as amended by P.L. 95-242 have been met and that the proposed export will not be inimical to the common defense and security of the United States. A detailed analysis for Switzerland was submitted December 19, 1978 (NRC No. XSNM-1344) and for the Community, December 8, 1978 (NRC Nos. XSNM-1241, 1232, 1212 and 1238). There has been no material change in circumstances since those submissions.

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

Sincerely,

Louis V. Nøsenzo Deputy Assistant Secretary

Enclosures: Assurance letters - 2 -

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EMBASSY OF SWITZERLAND SCHWEIZERISCHE BOTSCHAFT AMBASSADE DE SUISSE

WASHINGTON D.C. 20008, 2900 Cathedral Avenue N.W. Telephone 462-1811/7

Ref.: 651.513 NOK - MR/ch

April 11, 1979

Colonel Vance H. Hudgins Director Division of Politico-Military Security Affairs Office of International Security Affairs U.S. Department of Energy Washington, D.C. 20545

Re: Export License Application XSNM-1481

Dear Colonel Hudgins,

Reference is made to your letter of April 6, 1979. This letter serves as official confirmation that

- a) The transfer of the material, as identified on the license application, will be subject to all of the terms and conditions of the Agreement for Cooperation, dated August 8, 1966, as amended, concerning the civil uses of atomic energy between the Government of the United States and the Government of Switzerland;
- b) The ultimate consignee, the Nordostschweizerische Kraftwerke AG, in Baden, is authorized by my Government to receive and possess the material.

Sincerely yours,

R.E. Hulle

R.E. Müller Energy Counselor

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## DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

April 4, 1979 JM/AKS

Mr. Vance H. Hudgins Assistant Director for Politico-Military Security Affairs Division of International Security Affairs Department of Energy Washington, D. C. 20545

Subject: XSNM-1481 - Transnuclear, Inc.'s application dated March 19, 1979; material for Nordostschweizerische Kraftwerke AG.

Dear Mr. Hudgins:

We certify that the material mentioned in this application, namely 11584.0 kg of U containing 411.23 kg of U-235 (plus 1 kg U containing .0355 kg of U-235 as sampling material) and the transfer of this material will be subject to all terms and conditions of the Additional Agreement for Cooperation, dated July 25, 1960, as amended.

Further, we certify that RBU-Reaktor Brennelement Union GmbH, Hanau, West Germany and Ledoux and Co., Teaneck, N. J. as shipper of samle quantity only, as intermediate consignees and Nordostschweizerische Kraftwerke AG, Baden, Switzerland, as ultimate consignee, are authorized by EURATOM to receive and possess this material purscant to the aforementioned Agreement for Cooperation.

The material will be used in RBU facilities for conversion of UF6 to UO2 and for the manufacturing of fuel elements for Reactor Beznau II.

Sincerely,

M. Goppel

cc: Mr. Robert DeLabarre, State Department Mrs. Betty Wright, NRC Ms. Vicki Matson, Transnuclear, Inc. 509

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