

May 31, 1979

SECY-79-77B

COMMISSIONER ACTION

For: The Commissioners

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

Thru: Executive Director for Operations *JRS*

Subject: PROPOSED LICENSE TO EXPORT LOW-ENRICHED URANIUM TO JAPAN
(XSNM-1441, SECY-79-77A)

Purpose: Commission review of proposed issuance of subject license to General Electric Company.

Review Dates: 60-day period expires on July 7, 1979
120-day period expires on September 5, 1979

Discussion: In January 1979, General Electric Company applied for a license to export 11,965 kilograms of uranium, enriched to 3.1% U-235, to Japan for use as reload in the Fukushima No. 2 reactor. The material, in the form of uranium dioxide powder, will be shipped to Japan Nuclear Fuel Company for fabrication into fuel assemblies.

The application was forwarded for Executive Branch review and comment on January 30, 1979. On May 7, 1979, the Executive Branch (1) advised NRC that issuance of the proposed license would not be inimical to the interests of the US, including the common defense and security; (2) confirmed that the material will be subject to all the terms and conditions of the US-Japan Agreement for Cooperation; (3) confirmed that Japan has adhered to the provisions of its Agreement for Cooperation; and (4) advised that there were no material changed circumstances since the submission of its detailed analysis of December 8, 1978 on seven proposed exports of low-enriched uranium (discussed in SECY-79-64, classified, dated January 24, 1979.)

Contact:
J. Dunn Lee (492-7984)
G. G. Oplinger (492-7866)

582 179
790 8100504

7907030136

Under 10 CFR 110.40(b)(2), the staff would normally be authorized to process this application as a routine reload without referral to the Commission. However, due to concerns raised by Commissioner Bradford as discussed in SECY-78-4980, SECY-79-32, SECY-79-64, SECY-79-648, SECY-79-111, and most recently SECY-79-316, all classified confidential, the subject application is being forwarded for Commission review.

The staff has been informed that facility attachments have been completed for the Fukushima 2 reactor and Japan Nuclear Fuel Company.

The staff believes that there are no material changed circumstances concerning exports to Japan which would affect the Commission's consideration of licensing criteria and which have occurred since issuance of export licenses (e.g. XSNM-1244 and XSNM-1386) for similar material to Japan after Commission review.

Based upon its independent analysis and review of the Executive Branch submission, the staff has concluded that the requirements of the Atomic Energy Act and the NNPA of 1978 have been met and that the proposed export would not be inimical to the common defense and security of the US.

Assuming that Commissioner Bradford's questions are resolved, the staff believes that this proposed export license may be issued. This procedure is authorized by §110.44(a)(2) of Part 110 and is based on section 126(a)(2) of the AEA as amended by the Nuclear Non-Proliferation Act of 1978.

The following documents are forwarded for Commission review of the subject application: (1) application of January 10, 1979 (Appendix A); (2) Executive Branch views of May 7, 1979 (Appendix B); and (3) copy of proposed license (Appendix C).

NMSS Technical
Review:

NMSS has received no information concerning IAEA safeguards implementation activities and problems in Japan other than from the source which was the basis for NMSS conclusions reflected in Table VIII of the November 29, 1978 memorandum to Commissioner Gilinsky and document SI-79-10029 (Secret). The principal conclusion of the NMSS examination of these

documents is that the available information on IAEA implementation is insufficient to permit an evaluation of the effectiveness of IACA safeguards in Japan. However, NMSS notes that this export does not significantly add to the scope of safeguards associated with the large quantities of SIM already possessed in Japan.


Also, no information has been received concerning the state systems of accounting and control in Japan. Consequently, NMSS is unable to make any determination regarding the capabilities of its system to support the effective application of IAEA safeguards.

NMSS has reviewed the physical security program in Japan and found it adequate for the purpose of this export.

This action involves no new resource requirements.

Recommendation: That the Commissioners approve issuance of the proposed license to General Electric Company.

Coordination: ELD has no legal objection. NMSS views on the adequacy of the accounting and control system, the effectiveness of IAEA safeguards implementation, and the adequacy of the physical security program in Japan are as stated above.


James R. Shea, Director
Office of International Programs

Enclosures:
As stated

DISTRIBUTION:
Commissioners
Commission Staff Offices
Executive Dir. for Ops.
Secretariat

NOTE: Commissioner comments should be provided directly to the Office of the Secretary, by c.o.b. Friday, June 8, 1979.

Commission staff office comments, if any, should be submitted to the Commissioners NLT June 6, 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.

APPLICANT'S NAME AND ADDRESS: **General Electric Co., Attn: B.D. Wilson, M/C 838**
 STREET ADDRESS: **75 Curtner Avenue**
 CITY: **San Jose** STATE: **CA** ZIP CODE: **95125**
 TELEPHONE NUMBER (Area Code - number - Extension): **08-925-1380**

1. DATE OF APPLICATION: **1-10-79** 2. NRC USE: **7-S-N-79-1341** 3. LICENSE NO.: **11000402** 4. SUPPLIER'S NAME AND ADDRESS: **RLS**
 5. FINAL SHIPMENT SCHEDULED: **5/1/80** 6. PROPOSED LICENSE EXPIRATION DATE: **5/1/82** 7. U.S. DEPARTMENT OF ENERGY CONTRACT NO. (If known): **E(49-14)-UES/JA/3**

ULTIMATE CONSIGNEE NAME: **kyo Electric Power Co., Inc.**
 STREET ADDRESS: **-3, Uchisaiwai-Cho, 1-Chome**
 CITY - STATE - COUNTRY: **Toyoda-ku, Tokyo, Japan**

11. ULTIMATE END USE (Include plant or facility name): **Reload - Fukushima 2 Nuclear Power Station**
 11a. EST. DATE OF FIRST USE: **1/1/80**

INTERMEDIATE CONSIGNEE NAME: **Mitsui and Company, Ltd.**
 STREET ADDRESS: **-1 Otemachi, 1-Chome, Chivoda-ku**
 CITY - STATE - COUNTRY: **kyo, Japan**

12. INTERMEDIATE END USE: **Importer**
 12a. EST. DATE OF FIRST USE: **6/1/79**

INTERMEDIATE CONSIGNEE NAME: **Japan Nuclear Fuel Company, Ltd. (JNF)**
 STREET ADDRESS: **07, Uchikawashinden, Yokosuka-shi, Kanagawa-ken**
 CITY - STATE - COUNTRY: **apan**

13. INTERMEDIATE END USE: **Fabrication of nuclear fuel bundles to reload the Fukushima 2 reactor.**
 13a. EST. DATE OF FIRST USE: **7/1/79**

NRC USE	17. DESCRIPTION (Include chemical and physical form of nuclear material; give dollar value of nuclear equipment and components)	18. MAX. ELEMENT WEIGHT	19. MAX. WT. %	20. MAX. ISOTOPE WT.	21. UN
	Uranium dioxide powder; 13,573 kg.	11,965	3.1	331	Kg

POOR ORIGINAL

RECEIVED U.S. NRC

JAN 15 1980

COUNTRY OF ORIGIN - SOURCE MATERIAL: **Unknown** COUNTRY OF ORIGIN - SNM WHERE ENRICHED OR PRODUCED: **U.S.A. EXPORT/IMPORT** 24. COUNTRIES WHICH ATTACH SAFEGUARDS (If known):

ADDITIONAL INFORMATION (Use separate sheet if necessary): **INTERNAT'L SFGRODS**
 Request authorization for alternate authorized exporter; Mitsui and Co., 1 California Street, San Francisco, CA 94111

APPLICANT'S CERTIFICATION: **The applicant certifies that this application is prepared in conformity with Title 10, Code of Federal Regulations, and that all information in this application is correct to the best of his/her knowledge.**
 AUTHORIZED OFFICIAL: **[Signature]** 5. SIGNATURE: **[Signature]** 6. TITLE: **Manager, Gov't Relations and Export Licensing**



DEPARTMENT OF STATE

Washington, D.C. 20520

RECEIVED
USNRC

'79 MAY -8 P1:03

BUREAU OF OCEANS AND INTERNATIONAL OFFICE OF
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS INTERNATIONAL
PROGRAMS

MAY 07 1979

XSNM01441

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 January 23, 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. XSNM01441 -- Application by the General Electric Company for authorization to export to Japan 331 kilograms of U-235 contained in 11,965 kilograms of uranium enriched to a maximum of 3.1 percent. This low enriched uranium is to be fabricated into fuel assemblies for reloads of the Fukushima 2 Nuclear Power Plant.

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

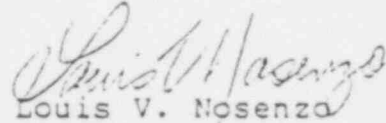
The Executive Branch has reviewed this application and concluded that the requirements of the Atomic Energy Act and P.L. 95-242 have been met and that the proposed export will not be inimical to the common defense and

582 183

security of the United States. A detailed analysis for Japan was submitted December 12, 1978 (NRC Nos. XSNM-1291, 1300, 1302, 1303, 1304, 1315 and 1365). There has been no material change in circumstances since that submission.

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

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary

Enclosure:
Assurance letter

EMBASSY OF JAPAN

2222 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D.C. 20008

(202) 214-2155

April 27, 1979

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

Dear Colonel Hudgins:

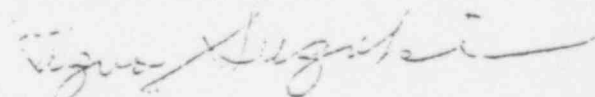
Concerning import of the special nuclear material for the facility noted below, this will confirm that the Government of Japan appointed the Tokyo Electric Power Company as an authorized person under the terms and conditions pursuant to Article VI of the Agreement for Cooperation between the Government of the United States of America and Government of Japan concerning Civil Uses of Atomic Energy which entered into force on July 10, 1968, amended by the Protocol on December 21, 1973.

Fuel for the Fukushima No. 2 reactor: 331 kgs of U-235
(3.1 % maximum enrichment) contained in 11,965 kgs of uranium

Further, it is confirmed that the transfer of the special nuclear material identified above will take place under all the terms and conditions of the Agreement for Cooperation between our Governments, and that the appointee(s) named above have been authorized to receive and possess the material by both Governments.

Also, the Government of Japan confirms that the safeguards and guarantee of the Agreement for Cooperation will always apply to this special nuclear material, except for that material subsequently retransferred with the written approval of the United States.

Sincerely yours,



Kazuo Suzuki
First Secretary (Scientific)

Ref: This is in reference to the case number of XSNM-1441 stated in your letter dated February 5, 1979.

The intermediate consignee, the Japan Nuclear Fuel Company, Ltd. is also authorized to receive and possess the material.

POOR ORIGINAL

582 185

EXPORT LICENSE

FORM NRC-250
(7-75)

NRC LICENSE NO.

THIS LICENSE EXPIRES 01 May 1982

XSNM01441

United States of America
Nuclear Regulatory Commission

Pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974 and the regulations of the Nuclear Regulatory Commission issued pursuant thereto, and in reliance on statements and representations heretofore made by

the licensee, a license is hereby issued to the licensee authorizing the export of the materials and/or production or utilization facilities listed below, subject to the terms and conditions herein.

LICENSEE

ULTIMATE CONSIGNEE IN FOREIGN COUNTRY

NAME General Electric Company
175 Curtner Avenue
ADDRESS San Jose, California 95125
Attn: B. D. Wilson M/C 838

NAME Tokyo Electric Power Co., Inc.
1-3, Uchisaiwai-Cho, 1-Chome
ADDRESS Chiyoda-Ku, Tokyo, Japan

INTERMEDIATE CONSIGNEE IN FOREIGN COUNTRY

OTHER PARTIES TO EXPORT

NAME Japan Nuclear Fuel Company, Ltd.
(JNF)
907, Uchikawashinden, Yokosuka-shi
Kanagawa-ken
ADDRESS Japan (For Fabrication)

Mitsui & Company, Ltd.
2-1 Otemachi, 1-Chome, Chiyoda-Ku
Tokyo, Japan (Importer)

APPLICANT'S REF. NO. BDW79012

COUNTRY OF ULTIMATE DESTINATION Japan

QUANTITY DESCRIPTION OF MATERIALS OR FACILITIES

331 kilograms uranium-235

Contained in 11,965 kilograms uranium, as uranium dioxide powder, enriched to 3.1 w/o maximum

Conditions 6 and 8 on page two of this license apply to this export.

//////////////////////////////////////END//////////////////////////////////////

Neither this license nor any right under this license shall be assigned or otherwise transferred in violation of the provisions of the Atomic Energy Act of 1954, as amended and the Energy Reorganization Act of 1974.

This license is subject to the right of recapture or control by Section 108 of the Atomic Energy Act of 1954, as amended and to all of the other provisions of said Acts, now or hereafter in effect and to all valid rules and regulations of the Nuclear Regulatory Commission.

THIS LICENSE IS INVALID UNLESS SIGNED BELOW
BY AUTHORIZED NRC REPRESENTATIVE

Gerald G. Oplinger, Assistant Director
Export/Import and International
Safeguards
Office of International Programs

DATE OF ISSUANCE _____

EXPORT LICENSE

U.S. NUCLEAR REGULATORY COMMISSION
EXPORT LICENSE

Conditions

License Number KS1481

Condition 1 — Licensee shall file with the Customs Officer or the Postmaster two copies, in addition to those otherwise required, of the Shipper's Export Declaration covering each export and mark one of such copies for transmittal to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555. The following declaration should accompany or be placed on the Shipper's Export Declarations for such exports:

"This shipment is being made pursuant to specific license number (**specific license number**) filed at (**location of Customs office where license is filed**), on (**date license was filed**). This license expires on (**expiration date of license**), and the unshipped balance remaining on this license is sufficient to cover the shipment described on this declaration."

Condition 2 — Exports authorized in any country or destination, except Country Groups Q, S, W, X, Y, and Z in Part 370, Supplement No. 1, of the Comprehensive Export Schedule of the U.S. Department of Commerce.

Condition 3 — This license covers only the nuclear content of the material.

Condition 4 — The material to be exported under this license shall be shipped in accordance with the physical protection requirements for special nuclear material in 10 CFR 73.

Condition 5 — Special nuclear material authorized for export under this license shall not be transported outside the United States in passenger-carrying aircraft in shipments exceeding (1) 20 grams or 20 curies, whichever is less, of plutonium or uranium 233, or (2) 350 grams of uranium 235.

Condition 6 — This license authorizes export only and does not authorize the receipt, physical possession, or use of the nuclear material.

Condition 7 — The licensee shall complete and submit an NRC Form 741 for each shipment of source material exported under this license.

Condition 8 — The licensee shall advise the NRC in the event there is any change in the designation of the company who will package the nuclear material to be exported under this license, or any change in the location of the packaging operation, at least three weeks prior to the scheduled date of export.

582 187