



DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

JUL 30 1979

XSNM01439
11000395

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 25, 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; and the Nuclear Non-Proliferation Act of 1978 (P.L. 95-242):

NRC No. XSNM01439 -- Application by Nissho-Iwai American Corporation for authorization to export to Japan 229.14 kilograms of U-235 contained in 15,075 kilograms of uranium enriched to a maximum of 1.52 percent. This low enriched uranium in the form of UF₆ will be shipped to Japan, converted to UO₂ by the Sumitomo Metal Mining Co. Ltd. and fabricated into fuel elements by the Nuclear Fuel Industries, Ltd. for reload of the FUGEN Advanced Thermal Reactor.

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. 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

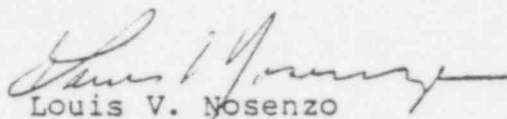
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export will not be inimical to the common defense and security of the United States. A detailed analysis for Japan was submitted April 30, 1979 for NRC license application No. XSNM01435. There has been no material change in circumstances since that 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

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EMBASSY OF JAPAN

2520 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D.C. 20008

(202) 234-2266

July 24, 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:

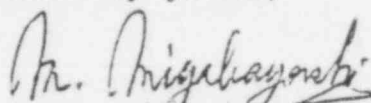
Concerning import of the special nuclear material for the facility noted below, this will confirm that the Government of Japan appointed Power Reactor and Nuclear Fuel Development Corporation (PNC) as an authorized person under the terms and conditions pursuant to Article VI of the Agreement for Cooperation 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 Advanced Thermal Reactor named "Fugen" of PNC: 229.14 kgs of U-235 (1.52 % maximum enrichment) contained in 15,075 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 guarantees 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,


Masayasu Miyabayashi
First Secretary (Scientific)

Ref: This is in reference to the case number of XSNM-1439 stated in your letter dated March 2, 1979.

The intermediate consignee, Sumitomo Metal Mining Co., Ltd. and Nuclear Fuel Industries, Ltd. are also authorized to receive and possess the material.

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