



DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

JUN 06 1979

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

ACC

XU08455
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EXPORT/IMPORT
AND
INTERNATIONAL SECURITY

RECEIVED
U.S. NRC

Dear Mr. Shea:

I refer to your letter dated April 6, 1979, requesting Executive Branch views as to whether issuance of an export license in accordance with the application herein after described would be inimical to the common defense and security of the United States and whether the proposed export meets the applicable criteria in the Atomic Energy Act of 1954, as amended and the Nuclear Non-Proliferation Act of 1978 (P.L. 95-242):

NRC No. XU08455 -- Application by the U.K. Treasury and Supply Delegation for authorization to export to the United Kingdom 750 kilograms of depleted uranium for research into the use of high-density, high-strength materials for the manufacture of penetrators.

The Executive Branch is currently reviewing the question of appropriate assurances, conditions and controls which could be applied to large exports of source material for the manufacture of penetrator munitions abroad. For future requests to export depleted uranium for munitions manufacture, we would probably wish to obtain an assurance from the recipient government that the U.S. would have the right of prior consent with respect to any retransfers of U.S.-origin depleted uranium, whether in bulk unfabricated form or contained in penetrator munitions. However, it is the view of the Executive Branch that additional assurances are not necessary in this case (XU08455) on the basis of the end-use statement provided in the application by the UK Treasury & Supply Delegation, specifying that the material is to be used solely for research within the United Kingdom.

* Copy to PDR and ACC 6-8-79 *

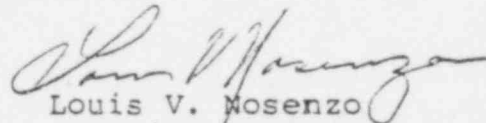
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It is the opinion of the Executive Branch that the proposed export may be made without being subject to the terms of an Agreement for Cooperation, since source material may be licensed under Sections 62 and 64 of the Atomic Energy Act without the prerequisite of a Section 123 Agreement. Further, it is the judgment of the Executive Branch that the source material export contemplated will not be inimical to the common defense and security of the United States. The Executive Branch has concluded that this export is consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978. A detailed analysis is believed unnecessary in this case because of the relatively small quantity of material involved, and the non-nuclear end-use.

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

Sincerely,



Louis V. Mosenzo
Deputy Assistant Secretary

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