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DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

OFFICE OF
INTERNATIONAL
PROGRAMS

JUL 19 1979

XSNM01483
11000542

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 the Commission's letters dated March 26 and June 28, 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:

NRC No. XSNM01483 -- Application by Trans-nuclear Inc. for authorization to export to the Federal Republic of Germany 6.827 kilograms of U-235 contained in 15.038 kilograms of uranium enriched to a maximum of 45.4 percent, and 6.105 kilograms of U-235 contained in 30.075 kilograms of uranium enriched to a maximum of 20.3 percent. This enriched uranium in the form of UF₆ will be shipped to NUKEM GmbH, Hanau, FRG for conversion and fabrication of prototype high-density, lower enrichment MTR-type fuel elements and plates. The fuel elements, each containing from 150 to 500 grams of U-235, are intended for testing in the following research reactors: ASTRA, Austria; IEAR-1, Brazil; DR-3, Denmark; GRR-1, Greece; Petten HFR, Netherlands; R-2, Studsvik, Sweden; SAPHIR, Wurenlingen, Switzerland; ~~TR-1, Cekmece, Turkey~~; RV-1, Venezuela; and FRJ-1, FRG-2 and FRMB, FRG.

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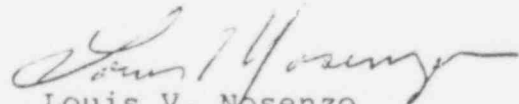
The proposed export to the FRG as intermediate consignee would take place pursuant to the Additional Agreement for Cooperation Between the United States and the European Atomic Energy Community (EURATOM) as confirmed in a letter from the Delegation of the Commission of the European Communities, EURATOM has adhered to the provisions of its Agreement for Cooperation with the United States.

Re-export of the fabricated fuel elements to countries outside of the European Community would be subject to Department of Energy authorization as subsequent arrangements.

The Executive Branch has reviewed this application and concluded that the requirements of the Atomic Energy Act, as amended, have been met and that the proposed export to the FRG, a member of the European Atomic Energy Community (EURATOM), for conversion and fabrication of fuel elements and plates will not be inimical to the common defense and security of the United States. A detailed analysis for EURATOM was submitted December 8, 1978 for NRC license application Nos. XSNM 1241, 1238, 1232 and 1212. There has been no material change in circumstances since that submission.

On the basis of the foregoing, the Executive Branch recommends that the license for export to the Federal Republic of Germany, and re-export within the European Community, be issued.

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary

Enclosure:
Assurance letter

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

April 3, 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-1483 - Transnuclear, Inc.'s application
dated March 21, 1979; material for West Germany.

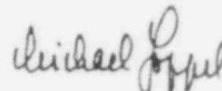
Dear Mr. Hudgins:

We certify that the material mentioned in this application, namely 45.113 kg U containing 12.932 kg of U-235, 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 Transnuklear GmbH, Hanau, West Germany, as intermediate consignee, and Nukem GmbH, Hanau, West Germany as ultimate consignee, are authorized by Euratom to receive and possess this material pursuant to the aforementioned Agreement for Cooperation.

The material will be used for the development and fabrication of high density fuels in a first set of prototype (MTR) fuel elements.

Sincerely,



M. Goppel

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

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