



DEPARTMENT OF STATE

Washington, D.C. 20520

ACU

XU08455

Amendment No. 01

11000558

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

SEP 18 1979

EXPORT/IMPORT AND INTERNAL SECURITY

1979 SEP 19 PM 3 05

RECEIVED U.S. INFO

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

Dear Mr. Shea:

I refer to your letter dated August 7, 1979, requesting Executive Branch views as to whether amendment 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 in the Atomic Energy Act as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XU08455 -- Application by the U.K. Treasury and Supply Delegation for amendment of license XU08455 to increase the quantity of depleted uranium authorized for export to the United Kingdom to 1200 kilograms. The additional 450 kilograms represents the corrected difference in the calculated weight of the two rolled bar ingots, measuring approximately 175 feet in length and 1.437 inches in diameter, originally requested. The depleted uranium is intended for research into the use of high-density, high-strength materials for the manufacture of penetrators.

The Executive Branch is continuing its review of the appropriate assurances, conditions and controls which could be applied to large exports of source material for the manufacture of penetrator munitions abroad. We would probably wish to obtain, in the case of a request to export depleted uranium for munitions manufacture, an assurance from the recipient government that

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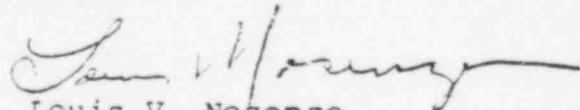
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the U.S. would have the right of prior consent with respect to any retransfers of U.S.-origin depleted uranium, either in bulk unfabricated form or contained in penetrator munitions. However, it is the view of the Executive Branch that additional assurances are not necessary in this case (XU08455) on the basis of the end-use statement provided in the application by the U.K. Treasury & Supply Delegation that the material is to be used solely for research within the United Kingdom.

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, 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 amendment be issued.

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary

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