



OFFICE OF THE  
CHAIRMAN

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

May 11, 1979

*James Cook*

The Honorable Al Ullman, Chairman  
Committee on Ways and Means  
United States House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

This is in response to your letter of April 2 concerning export controls on zirconium. As a point of clarification, NRC has export licensing authority over only that zirconium which is "specially designed or prepared" for use in a nuclear facility (e.g., zirconium tubes for use in power reactor fuel assemblies). Raw or unfabricated reactor grade zirconium is under the export licensing authority of the Department of Commerce.

With respect to NRC-licensed zirconium component exports, these are subject to the three export criteria for nuclear components as established by Section 309 of the NNPA. In essence, these are (1) application of IAEA safeguards, (2) no nuclear explosive use, and (3) no retransfer to third countries without U.S. approval. Even in cases where a particular U.S. trading partner met the first two criteria by virtue of its adherence to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the requirement for retransfer assurances has caused some delays in processing nuclear component export license applications. I am pleased to inform you, however, that the State Department has now obtained generic retransfer assurances from most of our major nuclear trading partners, including Japan, EURATOM, Sweden, and Switzerland. Thus, the Commission is now able to process the majority of zirconium component exports on a routine basis at the staff level. Sensitive exports, however, such as those to non-NPT parties, may require more extensive review, including referral for action by the Commissioners.

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Honorable Al Ullman

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In conclusion, I would also note that zirconium tubes are on the trigger list of sensitive items as agreed to by the Nuclear Suppliers Group and are accordingly subject to common export controls by the supplier nations. While the NNPA requirement for retransfer assurances is a U.S. unilateral requirement which goes beyond the Suppliers Group commitments, I do not believe this will result in any significant discriminatory treatment toward U.S. exporters in view of our successful attempts to obtain generic retransfer assurances from our major nuclear trading partners.

I trust this has been responsive to your request. Please feel free to contact me should you have further questions.

Sincerely,

Original Signed by  
Joseph M. Hendrie

Joseph M. Hendrie  
Chairman

cc: Junanita Kreps  
Secretary of Commerce

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