



DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL  
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

OFFICE OF  
INTERNATIONAL  
PROGRAMS

JUN 11 1980

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

XSNM01595  
11800830  
France - HE  
for return  
U.S.

Dear Mr. Shea:

This letter is in response to the letter from Mr. Gossick dated September 20, 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 (P.L. 95-242):

NRC No. XSNM01595 -- Application by Union Carbide Corporation for authorization to export to France 9.85 kilograms of U-235 contained in 10 kilograms of uranium enriched to a maximum of 93 percent. This highly-enriched uranium in the form of uranium metal will be shipped to C.E.R.C.A. in France for fabrication into fuel elements and returned to the applicant in the United States for use in the Union Carbide Nuclear Reactor.

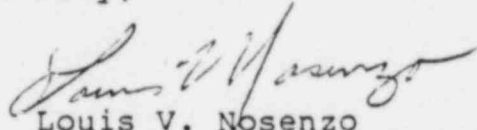
The proposed export to C.E.R.C.A., France, as the intermediate consignee for fuel fabrication, would take place pursuant to the Additional Agreement for Cooperation Between the United States and the European Atomic Energy Community (EURATOM) as confirmed in a letter from the Delegation of the Commission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

The Executive Branch has reviewed this application and concluded that the requirements of the Atomic Energy Act, as amended by P.L. 95-242, have been met and that

the proposed export will not be inimical to the common defense and security of the United States. A detailed analysis for France was submitted December 8, 1978 (NRC No. XSNM01232). In view of Executive Order 12193, extending the duration of the period specified in the first proviso to Section 126a(2) of the Atomic Energy Act of 1954, as amended, to March 10, 1981, that detailed analysis remains valid. There has been no other 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

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

April 23, 1980

Mr. Vance H. Hudgins  
Director, Division of Politico-  
Military Security Affairs  
Office of International Security Affairs  
U.S. Department of Energy  
Washington, D.C. 20585

Dear Mr. Hudgins:

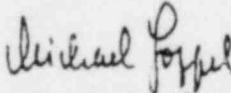
Subject: Union Carbide Corporation application 'NRC 979'  
dated September 5, 1979 for France - XSNM01595

We certify that the material mentioned in this application, namely 9.85 kilograms of U<sub>235</sub> contained in 10.59 kilograms of total uranium, 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 C.E.R.C.A., Paris, France, as ultimate consignee, is authorized by EURATOM to receive and possess this material pursuant to the aforementioned Agreement for Cooperation.

The material, in the form of uranium metal, will be fabricated into fifty-five conventional Union Carbide nuclear reactor fuel elements by C.E.R.C.A. and will subsequently be returned to Union Carbide of Tuxedo, New York.

Sincerely,

  
M. Goppel

ajs

cc: ✓ Mr. Robin De LaBarre, U.S. Department of State  
Ms. Betty Wright, U.S. Nuclear Regulatory Commission  
Mr. C.G. Balalis, Union Carbide Corporation

APPLICATION FOR LICENSE TO EXPORT  
BYPRODUCT, SOURCE, OR SPECIAL NUCLEAR MATERIAL

RECEIVED  
NRC

XSHMO 1595  
11080830

Submit in Triplicate

1979 SEP 17 PM 2 15

Carefully Read Instructions on Back

1. DATE OF APPLICATION SEPTEMBER 5, 1979	2. APPLICANT'S REFERENCE NO. (if any) NRC 979	3. COUNTRY OF ULTIMATE DESTINATION FRANCE
4. NAME OF APPLICANT UNION CARBIDE CORPORATION STREET ADDRESS 270 PARK AVENUE CITY, STATE, AND ZIP CODE NEW YORK, NEW YORK 10017		5. ULTIMATE CONSIGNEE IN FOREIGN COUNTRY (Name and address) C.E.R.C.A. 41 AVENUE MONTAIGNE 75008 PARIS, FRANCE
6. INTERMEDIATE CONSIGNEE IN FOREIGN COUNTRY (Give name and address. If same as ultimate consignee, state "Same.")  SAME		7. IF PURCHASER IN FOREIGN COUNTRY IS OTHER THAN ULTIMATE CONSIGNEE, GIVE NAME AND ADDRESS. (If same, state "Same.")  SAME

8. (a) QUANTITY TO BE SHIPPED (See instructions on back)  10.59 KILOGRAMS <i>uranium</i>	(b) COMMODITY DESCRIPTION (Include chemical and physical form; for special nuclear material and byproduct material also specify isotopic content; if in a device, identify the device, manufacturer, and model number.)  <i>Containing</i> CONTAINED IN 9.85 KILOGRAMS URANIUM <sup>235</sup> AS METAL ENRICHED 93% W/O MAXIMUM
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(c) SHIPPING AND PACKING PROCEDURES (Required for special nuclear material. See instructions on back.)  
WILL PACKAGE IN ACCORDANCE WITH FEDERAL REGULATIONS BY OAK RIDGE NATIONAL LABORATORY

9. END USE OF COMMODITIES COVERED BY THIS APPLICATION: (Describe fully, stating what will be produced or manufactured, what service will be rendered, or the nature of the research that will be performed.) (See instructions on back for special nuclear material.)  
TO FABRICATE FIFTY FIVE (55) CONVENTIONAL UNION CARBIDE NUCLEAR REACTOR FUEL ELEMENTS AND RETURN TO UNION CARBIDE CORPORATION, TUXEDO, NEW YORK

10. The applicant, and any official executing this certificate on behalf of the applicant named in Item 4, certify that this application is prepared in conformity with Title 10, Code of Federal Regulations, Parts 30 and 36 (if for byproduct material) or Part 40 (if for source material), or Part 70 (if for special nuclear material), and Part 71 (for transport of radioactive material, if applicable) and that all information contained herein, including any supplements attached hereto, is true and correct to the best of their knowledge and belief.

UNION CARBIDE CORPORATION

(Applicant named in Item 4)

By:

*Chris Balalis*

C. G. BALALIS, EXPORT CONTROL COORDINATOR

(Title of certifying official authorized to act on behalf of the applicant)

\*Copy to PDR and ACC 9-19-79

*##V Pure 7910180385 LP*

*00025  
Smd*



UNION CARBIDE CORPORATION  
 CORPORATE DISTRIBUTION  
 270 PARK AVENUE, NEW YORK, N. Y. 10017

RECEIVED  
 1979 SEP 17 PM 2 12  
 EXPORT/IMPORT  
 AND  
 INTERNATIONAL SFORDS

September 7, 1979

Mr. R. N. Moore  
 Office of International Programs  
 Nuclear Regulatory Commission  
 Maryland National Bank Building  
 Poom 8211  
 Washington, D. C. 20555

Subject: SHIPMENT OF FULLY-ENRICHED  
 URANIUM 235 TO FRANCE

Dear Mr. Moore:

Enclosed is a completed application, Form AEC-7 in triplicate, requesting authorization to export to C.E.R.C.A., 41 Avenue Montaigne, 75008 Paris, France 9.85 Kgs. of Fully Enriched (93%) Uranium 235.

The uranium is to be fabricated by C.E.R.C.A. into fifty-five (55) conventional Union Carbide Nuclear Reactor fuel elements and returned to the United States. There will be a small loss during this fabrication.

Applications submitted in the past for similar transactions have been approved and all conditions set forth therein fully observed by Union Carbide Corporation. The latest license to be granted to us is Number XSNM 01354.

The Union Carbide Nuclear Reactor is this country's sole commercial supplier of a broad range of radiopharmaceuticals. We believe it to be in the national interest to maintain a sufficient inventory of reactor fuel to assure the continued and timely supply of these materials for the medical community. An unprecedented series of regulatory delays has extended our current fuel procurement process to seventeen months; twelve months to export material to the foreign fabricator (since there is no longer a domestic commercial fabricator of the required type of fuel) and five months to fabricate the material into reactor fuel elements. Because of the extended procurement period, our fuel inventory is reaching a precariously low level. Our new order must be increased over previous ones to compensate for the delay. We request that the Export License be issued no later than February, 1980 so that we can in turn assure the nation of a reliable supply of medical products.

We recognize present Administration's desire to reduce the worldwide distribution and use of highly enriched uranium. For this reason, we are keeping informed of the Department of Energy sponsored RERTR (Reduced-Enrichment Research and Test Reactor) Program being performed at Argonne National Laboratory. A demonstrated technology must exist well in advance of the application for an

*Handwritten:*  
 D.M.  
 7910180381  
 J.P.P.



Export License to permit licensing, fuel management and commercial arrangements for an alternative fuel design of a lower enrichment. The first scheduled demonstration of a reduced enrichment technology will come from prototype fuel elements to be fabricated for the Ford Nuclear Reactor at the University of Michigan. A realistic assessment of that schedule reveals that fabricated fuel may not be available for another year. Allowing a second year for irradiation of the fuel in the reactor and evaluation of its performance, we do not expect a demonstrated technology to exist until mid-1981. The application of reduced enrichment reactor fuel technology is clearly not feasible at the present time and, in fact, will most likely not be available in adequate time for our subsequent fuel procurement program which is expected to commence in February of 1981.

Very truly yours,

*Chris Balala's*

C. G. Balala's  
Export Control and Licensing Section  
International Distribution Department

CGB:ps  
Enclosure

cc: Dr. R. E. Bollinger - UCC, Tuxedo  
Mr. J. P. Burke - UCC, New York  
The Honorable J. Javits - United States Senate, Washington  
Mr. J. J. Kenney, Jr. - UCC, Washington  
Mr. J. J. McGovern - UCC, Tuxedo  
Mr. M. Voth - UCC, Tuxedo