



DEPARTMENT OF STATE

Washington, D.C. 20520

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U.S. NRC

ACC

BUREAU OF OCEANS AND INTERNATIONAL  
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

MAR 17 1980

EXPORT/IMPORT  
AND  
INTERNAT'L SFGRDS

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

XSNM01287

Dear Mr. Shea:

This letter is in response to your letters dated March 20, 1978 and August 23, 1979, requesting Executive Branch views as to whether issuance of export licenses in accordance with the applications hereinafter described would be inimical to the common defense and security of the United States and whether the proposed exports meet 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 Nos. XSNM01287 and XSNM01561 -- Applications by Westinghouse Electric Corporation for authorization to export to Yugoslavia 40 milligrams of U-235 in eight in-core neutron detectors and 16.4 milligrams of U-235 in four in-core detectors for use in the Krsko Nuclear Power Plant.

The proposed exports would take place pursuant to the Agreement for Cooperation Between the United States and the IAEA as well as the IAEA-Yugoslavia Supply Agreement of June 14, 1974, as amended, as confirmed in exchanges of notes between the U.S. Mission to the IAEA and the Agency and between the U.S. Embassy in Belgrade and the Yugoslav Foreign Ministry, copies of which are enclosed. The IAEA has adhered to the provisions of its Agreement for Cooperation with the United States.

The Executive Branch has reviewed the applications and concluded that the requirements of the Atomic Energy Act and P.L. 95-242 have been met and that the proposed

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exports will not be inimical to the common defense and security of the United States. A detailed analysis is not believed necessary in view of the small quantity of material involved.

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

Sincerely,



Louis V. Mosenzo  
Deputy Assistant Secretary

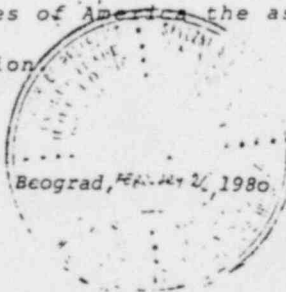
Enclosures:  
Notes

No. 4110/85

The Federal Secretariat for Foreign Affairs of the Socialist Federal Republic of Yugoslavia presents its compliments to the Embassy of the United States of America and has the honour to refer to the Embassy's Note of FEBRUARY 26 1980 which sets forth certain understandings providing for the transfer of up to one (1) gram of special nuclear material, including highly enriched uranium, contained in instrumentation for use at or in connection with the Krško Nuclear Power Plant.

The Government of the Socialist Federal Republic of Yugoslavia takes this opportunity to confirm its concurrence in all the understandings set forth in the Embassy's Note of FEBRUARY 26 1980.

The Federal Secretariat for Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its high consideration.





INTERNATIONAL ATOMIC ENERGY AGENCY  
AGENCE INTERNATIONALE DE L'ENERGIE ATOMIQUE  
МЕЖДУНАРОДНОЕ АГЕНТСТВО ПО АТОМНОЙ ЭНЕРГИИ  
ORGANISMO INTERNACIONAL DE ENERGIA ATOMICA

WAGRAMERSTRASSE 5, P.O. BOX 100, A-1400 VIENNA, AUSTRIA, TELEX: 1-12645, CABLE: INATOM VIENNA, TELEPHONE: 2360

IN REPLY PLEASE REFER TO:  
PRIERE DE RAPPELER LA REFERENCE:

L/304 - YUG - 8

The Secretariat of the International Atomic Energy Agency presents its compliments to the Permanent Mission of the United States of America and has the honour to acknowledge receipt of the Mission's note of 26 February 1980, which sets forth certain understandings providing for the transfer of up to one (1) gram of special nuclear material, including highly enriched uranium, contained in instrumentation for use at or in connection with the Krsko Nuclear Power Plant.

After appropriate consultation with the Government of the Socialist Federal Republic of Yugoslavia, the Secretariat of the International Atomic Energy Agency takes this opportunity to confirm its concurrence in all the understandings set forth in the note from the United States Mission referred to above.

The Secretariat of the International Atomic Energy Agency avails itself of this opportunity to renew to the United States Mission the assurances of its highest consideration.

Vienna, 26 February 1980



Permanent Mission of the  
United States of America  
to the IAEA  
Vienna

UNITED STATES MISSION TO THE  
INTERNATIONAL ATOMIC ENERGY AGENCY  
February 26, 1980

I, David Brown, First Secretary  
to the U.S. Mission to the IAEA,  
Vienna, certify that this is an  
accurate copy of a note this  
Mission sent to the IAEA on  
February 26, 1980.

*David Brown*  
David Brown  
Political Advisor

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Accordingly,

it is proposed that the "Supply Agreement" be amended hereby  
to include the supply from the United States to Yugoslavia  
of up to one (1) gram of special nuclear material, including  
highly enriched uranium, contained in instrumentation for  
use at or in connection with the KRSKO nuclear power plant.

The International Atomic Energy Agency

February 26, 1980

The United States Mission presents its compliments to the Director General of the International Atomic Energy Agency and has the honor to refer to the "Supply Agreement" concluded on June 14, 1974 between the International Atomic Energy Agency and the Governments of the United States of America and the Socialist Federal Republic of Yugoslavia, the text of which is set forth in document INFCIRC/213 (Part I), and to the corresponding "Project Agreement" concluded on the same date between the Agency and the Socialist Federal Republic of Yugoslavia.

While the aforementioned documents do not provide for the transfer of nuclear material other than nuclear fuel for the KRSKO nuclear power plant, it is recognized that neutron detectors and possibly other instrumentation containing small quantities of nuclear material will also be required for safe operation of the plant. Accordingly, it is proposed that the "Supply Agreement" be amended hereby to include the supply from the United States to Yugoslavia of up to one (1) gram of special nuclear material, including highly enriched uranium, contained in instrumentation for use at or in connection with the KRSKO nuclear power plant.

The International Atomic Energy Agency

February 26, 1980

It is understood that any such instruments shall be used exclusively at the KRSKO nuclear power plant and shall be provided to Yugoslavia in accordance with a contract between the Utility Group, as defined in the Supply Agreement, and an appropriate entity in the United States.

The foregoing proposal has been made in identical terms to the Government of the Socialist Federal Republic of Yugoslavia and to the International Atomic Energy Agency. If the Government of the Socialist Federal Republic of Yugoslavia and the Agency concur, it is suggested that this note and the U.S. note to the Socialist Federal Republic of Yugoslavia together with the replies in that sense by the Government of the Socialist Federal Republic of Yugoslavia and by the Agency be regarded as constituting an amendment to the "Supply Agreement" and to the "Project Agreement" referred to above.

The United States Mission avails itself of this opportunity to renew to the Director General of the International Atomic Energy Agency the assurances of its highest consideration.



No. 15

The Embassy of the United States of America presents its compliments to the Federal Secretariat for Foreign Affairs of the Socialist Federal Republic of Yugoslavia and has the honor to refer to the "Supply Agreement" concluded on June 14, 1974 between the International Atomic Energy Agency and the Governments of the United States of America and the Socialist Federal Republic of Yugoslavia, the text of which is set forth in document INFCIRC/213 (Part 1), and to the corresponding "Project Agreement" concluded on the same date between the Agency and the Socialist Federal Republic of Yugoslavia.

While the aforementioned documents do not provide for the transfer of nuclear material other than nuclear fuel for the Krsko nuclear power plant, it is recognized that neutron detectors and possibly other instrumentation containing small quantities of nuclear material will also be required for safe operation of the plant. Accordingly, it is proposed that the "Supply Agreement" and "Project Agreement" be amended hereby to include the supply from the United States to Yugoslavia of up to one (1) gram of special nuclear material, including highly enriched uranium, contained in instrumentation for use at or in connection with the Krsko nuclear power plant. It is understood that any such instruments be used exclusively at the Krsko nuclear power plant and shall be provided to

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Yugoslavia in accordance with a contract between the utility group, as defined in the "Supply Agreement," and an appropriate entity in the United States.

The foregoing proposal has been made in identical terms to the Government of the Socialist Federal Republic of Yugoslavia and to the International Atomic Energy Agency. If the Government of the Socialist Federal Republic of Yugoslavia and the Agency concur, it is suggested that this note and the United States note to the Agency together with the replies in that sense by the Government of the Socialist Federal Republic of Yugoslavia and by the Agency be regarded as constituting an Amendment to the "Supply Agreement" and to the "Project Agreement" referred to above.

The Embassy of the United States of America avails itself of this opportunity to renew to the Federal Secretariat for Foreign Affairs of the Socialist Federal Republic of Yugoslavia the assurances of its highest consideration.

Embassy of the United States of America  
Belgrade, February 26, 1980.

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