

DEPARTMENT OF STATE

Washington, D.C. 20520

AC

XU08466  
11000729

BUREAU OF OCEANS AND INTERNATIONAL  
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

MAR 06 1980

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 letter from your office dated July 27, 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. XU08466 -- Application by Transnuclear, Inc. for authorization to export to the Federal Republic of Germany 100,000 kilograms of natural uranium in the form of  $U_3O_8$  for storage. After its return to the U.S. for conversion into uranium hexafluoride and enrichment, the material will be re-exported to the Federal Republic of Germany for use in the Unterweser Nuclear Power Plant.

The proposed export of  $U_3O_8$  for storage and eventual return to the U.S. for conversion and enrichment would take place pursuant to the Additional Agreement for Cooperation Between the United States and the European Atomic Energy Community (EURATOM) as confirmed in letters from the Delegation of the Commission of the European Communities, copies of which are enclosed. EURATOM has adhered to the provisions of its Agreement for Cooperation with the United States.

2-10-80

3004020

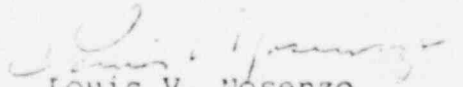
368

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 of  $U_3O_8$  will not be inimical to the common defense and security of the United States, provided the license specifies that the material is returned to the United States for conversion and enrichment in accordance with the information provided in the application and the EURATOM assurance letters. A detailed analysis for EURATOM was submitted November 27, 1979 for NRC application No. XU08427. There has been no material change in circumstances since that submission.

As the material covered by this license request is to be shipped in 1980, the transaction falls within the 12 month period of Executive Order 12193 pursuant to Section 126 a. (2) of the Atomic Energy Act of 1954, as amended, extending the exemption of EURATOM from the requirements of Section 127 (4) and (5) of the Act.

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

Sincerely,

  
Louis V. Nosenzo  
Deputy Assistant Secretary

Enclosures:  
Assurance Letters

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

January 15, 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:

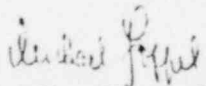
Subject: Transnuclear, Inc. application NUK-291 79-211/01  
dated July 18, 1979 for the Federal Republic of  
Germany - XUo8466

We certify that the material mentioned in this application, namely 715.0 kilograms of U<sub>235</sub> contained in 100,000 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 Transnucleaire, S.A., Paris, France, as intermediate consignee for transport purposes only, and " (to be determined \*) " as intermediate consignee for conversion of the U<sub>3</sub>O<sub>8</sub> to UF<sub>6</sub> only, and the Nordwestdeutsche Kraftwerke Aktiengesellschaft (NWK), Hamburg, West Germany, as ultimate consignee, are authorized by EURATOM to receive and possess this material pursuant to the aforementioned Agreement for Cooperation.

The material, after conversion, will be enriched in the U.S. under contract UES/EU/100 for the ultimate manufacture of fuel elements (by NWK) for their reactor Unterweser - West Germany.

Sincerely,

  
M. Goppel

ajs

cc: Mr. Robin De LaBarre, U.S. Department of State  
Ms. Betty Wright, U.S. Nuclear Regulatory Commission  
Ms. Vicki Matson, Transnuclear, Inc.

\* converter of material to be located within the European Communities,  
this letter will be amended upon receipt of the name of the converter

MG

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

February 19, 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:

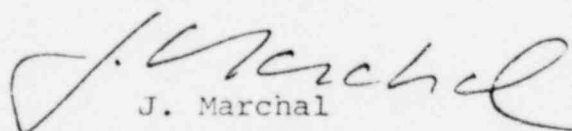
Subject: XU08466 - Transnuclear, Inc. application  
NUK-291 79-211/01 dated July 18, 1979  
for the Federal Republic of Germany

This is in reference to the second paragraph of our letter to you of January 15, 1980 concerning the above subject.

We wish to certify that the natural uranium mentioned in the above captioned application will be converted into UF<sub>6</sub> by Allied Chemical, in the United States and not, as first expected, by a converter located within the European Communities.

The other data of our letter dated January 15, 1980 remain unchanged.

Sincerely,

  
J. Marchal

JM/ajs

cc: Mr. Robin De LaBarre, U.S. Department of State  
Ms. Betty Wright, U.S. Nuclear Regulatory Commission  
Ms. Vicki Matson, Transnuclear, Inc.

FEB 25 1980

RECEIVED  
EURATOM SUPPLY AGENCY