

DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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MAY 2 2 1980

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

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THE SPARES

Dear Mr. Shea:

This letter is in response to the letter from your office dated March 27, 1980, 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:

NRC No. XSNM01664 -- Application by Transnuclear, Inc. for authorization to export to the Federal Republic of Germany 1,234 kilograms of U-235 contained in 30,746 kilograms of uranium enriched to a maximum of 4.013 percent and 129,224 kilograms of natural uranium. The low enriched and natural uranium in the form of UF6 will be stored in the FRG by NUKEM according to the provisions of the Offset Agreement signed July 9, 1979 with the J.S.

The proposed export 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, a copy of which is enclosed. 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 the Nuclear Non-Proliferation Act of 1978, 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 EURATOM was submitted November 27, 1979 for NRC application No. XU08427. 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

May 15, 1980

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

Dear Mr. Hudgins:

Subject: Transnuclear, Inc. application NUK-319 80-059/01 dated March 19, 1980 for West Germany - XSNMo1664

We certify that the material mentioned in this application, namely 2,153.0 kilograms of U235 contained in 159,970.0 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 Transnuklear GmbH, Hanau, West Germany (for transport only), and Nukem GmbH, Hanau, West Germany (for storage), as intermediate consignees, and the Bundesministerium fuer Forschung und Technologie, Bonn, West Germany, as ultimate consignee, are authorized by EURATOM to receive and possess this material pursuant to the aforementioned Agreement for Cooperation.

The material will be used as a stock-pile in the frame-work of the Offset III Agreement between the F.R.G. and the U.S.A.

Sincerely,

M. Goppel

Michael Popul

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

N.B.: Our reference AGT/23