



DEPARTMENT OF STATE

Washington, D.C. 20520

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U.S. NRC

BUREAU OF OCEANS AND INTERNATIONAL  
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS PM 1 00

August 1, 1980

EXPORT/IMPORT  
AND  
INTERNATIONAL SFGRODS

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

XSNM01687  
1100 2078

Dear Mr. Shea:

This letter is in response to the letter from your office dated June 5, 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 (P.L. 95-242):

NRC No. XSNM01687 -- Application by General Electric Company for authorization to export to Canada .6 kilogram of U-235 and .2 kilogram of plutonium contained in 40 kilograms of uranium enriched to a maximum of 3 percent. The material is fabricated in 46 BWR segments, 26 of which have been irradiated. The fuel rod segments are to be test irradiated in the Chalk River Laboratories of the AECL.

The proposed export would take place pursuant to the Agreement for Cooperation Between the United States and Canada as confirmed in a letter from the Embassy of Canada, a copy of which is enclosed. Canada has adhered to the provisions of its Agreement for Cooperation with the United States.

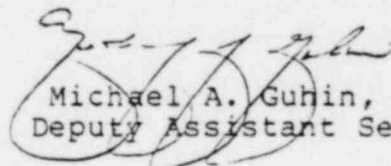
The Executive Branch has reviewed this application and concluded that the requirements of the Atomic Energy Act, as amended by P.L. 95-242, have been met and that the proposed export will not be inimical to the common defense and security of the United States. The Protocol to amend and extend the U.S.-Canada Agreement for Cooperation, bringing it into conformity with all the requirements for new or amended agreements, entered into force on July 9, 1980.

The U.S.-Canada Agreement for Cooperation, as amended by the Protocol, now meets all of the criteria of the Atomic Energy Act, as amended. The effect of the Protocol was analyzed by the Executive Branch and reviewed by the NRC prior to its entry into force.

An Executive Branch analysis of the application of the Protocol to nuclear exports to Canada will be prepared for transmission to the NRC in the near future. In the meantime, however, we do not believe that the material to be exported under Application No. XSNM01687 is of sufficient quantity or significance to require a full analysis or to justify delaying approval of the license request pending completion of the new analysis for Canada.

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

Sincerely,

  
Michael A. Guhin, Acting  
Deputy Assistant Secretary

Enclosure:  
Assurance letter



Atomic Energy Commission de contrôle  
Control Board de l'énergie atomique

OPERATIONS DIRECTORATE  
Safeguards & Nuclear  
Materials Branch

Received 7/16/80

Your file Votre référence

Our file Notre référence

11-2-3

July 9, 1980

Mr. Vance H. Hudgins  
Deputy Director  
Office of International  
Security Affairs  
Department of Energy  
Washington, D. C. 20585

Dear Mr. Hudgins:

Regarding export application XSNM 1687, I would like to confirm:

- (a) that the transfer of the material identified in said licence application, namely 40 kilograms uranium with a maximum enrichment of 3% in the form of uranium oxide fuel rod segments will be subject to the terms and conditions of the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of Canada and the Government of the United States of America;
- (b) that the ultimate consignee, Atomic Energy of Canada Limited, Chalk River Nuclear Laboratories is authorized to receive and possess the material.

Yours sincerely,

N. S. Blackman  
Licensing Officer