

Honeywell

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July 29, 1980

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Assistant Director for Export/Import
and International Safeguards
U.S. Nuclear Regulatory Commission
7735 Old Georgetown Road
Bethesda, Maryland 20555

EXPORT/IMPORT
AND
INTERNAT'L SFGROD

Dear Sir:

This letter is in support of the application for license to export nuclear material (depleted uranium rod ends and scrap) to Eldorado Nuclear Limited in Canada. The license is needed in the performance of the GAU-8/A 30MM Ammunition Program sponsored by Aeronautical Systems Division, AFSC, Wright-Patterson Air Force Base, in Ohio 45433. The application is attached.

In March 1980, Honeywell, Defense Systems Division, was awarded a \$154 million dollar contract with the U.S. Air Force to supply 11.1 million rounds of 30 millimeter ammunition for the GAU-8. GAU-8 is the Air Force's automatic gun system built by General Electric for the A-10 aircraft. This contract covers a three year period.

The contract F33657-79-C-0406 issued by the Aeronautical Systems Division, TAXKS, Wright-Patterson Air Force Base, provides for the delivery of 30 millimeter ammunition, including an Armor Piercing Incendiary (API) Round which uses a depleted uranium penetrator. Eldorado is one of Honeywell's sources for the material used to fabricate the penetrator. API Round deliveries for the first year of the contract are scheduled for the period January 1981 to December 1981.

At the present, it is planned that the UF₄ salts needed by Eldorado for manufacturing depleted uranium rods, will be furnished by the United States Government, Department of Energy (DOE). The UF₄ salts will be exported to Eldorado in Canada, by Union Carbide Corporation, Nuclear Division, Paducah Plant, P.O. Box 1410, Paducah, Ky. 42001. At regular intervals, Union Carbide will be authorized by DOE to export the UF₄ salts to Eldorado. Union Carbide has obtained the appropriate U.S. Nuclear Regulatory Commission License to Export Nuclear Material and will be responsible for complying to Department of Transportation regulations and other appropriate laws. The U.S. Government will be furnishing Eldorado with 3,573,000 kilograms of UF₄ for 1980 and 1,881,000 kilograms each for fiscal years 1981 and 1982.

After Eldorado reduces the UF₄ "green salts" into depleted uranium (D.U.) rods, the rods or billet will be sent to RMI Company in Ashtabula, Ohio. There, the form of billet will be cut into eleven (11) foot rods by an extrusion shear. RMI will ship the extruded billet to Honeywell.

Honeywell Aerospace & Defense Group
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ATTN: Martha Cooper
DEFENSE SYSTEMS DIVISION
HONEYWELL INC., 600 SECOND STREET NE, HOPKINS, MINNESOTA 55343, TELEPHONE 612/921-6511

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As a result of Honeywell fabricating the billet into D.U. penetrators, scrap and rod ends will be generated. Approximately 5% of the monthly shipments of billet will end up becoming scrap rod ends and scrap piece parts.

These parts will be exported back to Eldorado by Honeywell. The scrap parts will be remelted at Eldorado's Port Hope, Ontario, Canada, Metallurgical Products Plant. The exported material will consist of random length rod ends and pieces with nominal diameters of 0.650 inch. Honeywell will export approximately 270,600 kilograms in fiscal year 1980 and 142,600 kilograms each in fiscal years 1981 and 1982. The grand total of D.U. scrap exported to Canada over the three years amounts to 555,800 kilograms.

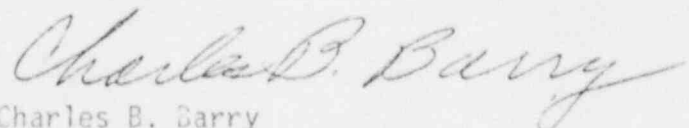
When looking at the "big picture" over the next three years, Eldorado is subcontracted to supply Honeywell via RMI Company with 2,706,000 kilograms of depleted uranium rod in fiscal year 1980, and 1,426,000 kilograms each in fiscal years 1981 and 1982.

Honeywell has a D.U. License. The number of the license is Sub -971. Its validity date is May 9, 1980 and expires on May 31, 1985.

In about one month, we expect to be ready to make our first export shipment to Eldorado. Please notify me in writing if it appears as though it will take longer than a month to obtain the license.

If you should want additional information, please write to me at the address below or call me at 612/931-5781.

Yours very truly,



Charles B. Barry
Contracts Counsel
Honeywell, Inc.
Defense Systems Division

CBB/sj
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