



DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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XSNM01680

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 May 6, 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. XSNM01680 -- Application by Transnuclear, Inc. for authorization to export to the Federal Republic of Germany 2.799 kilograms of U-235 contained in 3.0 kilograms of uranium enriched to a maximum of 93.3 percent. The highly-enriched uranium in the form of UF₆ is to be shipped to the FRG for fabrication by NUKEM of irradiation test samples for use in the following reactors: BR-2, Mol, Belgium; HFR, Petten, Netherlands; FRJ-2, Julich, FRG; Siloe, Grenoble, France; and the R-2, Studsvik, Sweden.

The proposed export would take place pursuant to the Additional Agreement for Cooperation Between the United States and the European Atomic Community (EURATOM) and between the U.S. and Sweden as confirmed in letters from the Delegation of the Commission of the European Communities, and the Embassy of Sweden, copies of which are enclosed. EURATOM and Sweden have adhered to the provisions of their Agreements for Cooperation with the United States.

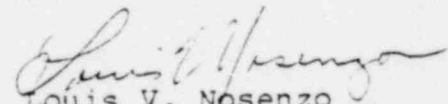
The Executive Branch has reviewed this application and concluded that the requirements of the Atomic Energy Act, as amended by the Nuclear Non-Proliferation Act of 1978,

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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 and for Sweden, December 8, 1978 for applications Nos. XSNM01247 and 1248. 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 for EURATOM remains valid. There has been no other material change in circumstances since those submissions.

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

SWEDISH EMBASSY

WASHINGTON, DC

August 13, 1980

Mr. Vance H. Hudgins
Director
Division of International
Security Affairs
Department of Energy
WASHINGTON, DC 20545

Re: application XSNM 1680

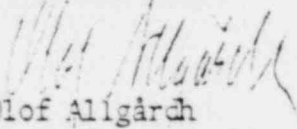
Dear Mr. Hudgins:

I wish to refer to your letter of July 10, 1980, regarding an application from Transnuclear Inc. for a license to export 3000 g U containing 2799 g U-235 to be exported to Studsvik Energiteknik AB, Nyköping, Sweden. The material will be delivered from Goodyear Atomic Corporation to NUKEM, West Germany for conversion and subsequent experimental fuel production (so called "coated particles") at HOBE, West Germany. The experimental fuel is intended to be used in a project conducted by KFA, Julich, West Germany, where among others Studsvik Energiteknik AB will participate. A certain quantity of the material will therefore be transferred to Studsvik Energiteknik AB for radiation in the RZ-reactor, and will then be returned to KFA, Julich for further investigations.

I am now able to inform you that the above mentioned material will be subject to all terms and conditions of the US- Swedish agreement of cooperation regarding civil uses of atomic energy.

Studsvik Energiteknik AB is authorized to receive and possess the material.

Sincerely yours,


Olof Allgårdh
Economic counselor

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DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

August 25, 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:

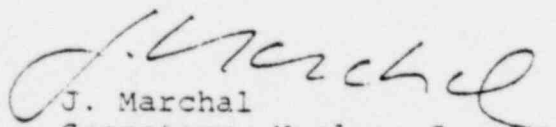
Subject: Transnuclear, Inc. application NUK-328 80-033/01
dated April 30, 1980, for West Germany -
XSNM 01680

We certify that the material mentioned in this application, namely 3.0 Kg of U, 93.3% enriched in U 235, 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 Nukem GmbH, Hanau, West Germany, as intermediate consignee, and Kernforschungs Anlage, Juelich, Karlsruhe, West Germany, as ultimate consignee, are authorized by EURATOM to receive and possess this material (as delineated in Transnuclear Inc.'s above referenced application) pursuant to the aforementioned Agreement for Cooperation.

The material will ultimately be used for the manufacture of irradiation test samples by KFA.

Sincerely,


J. Marchal
Secretary, Nuclear Supply

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