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OFFICE OF
INTERNATIONAL
PROGRAMS

AUG 14 1980

XSNM01652

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

Dear Mr. Shea:

I refer to your letter dated February 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 in the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XSNM01652 -- Application by Reactor Experiments, Inc. for authorization to export to Saudi Arabia .033 milligrams of plutonium-239, .095 milligrams of U-235 (93.15% enriched) and .1007 milligrams of neptunium-237 electro-deposited on nickel disks for postgraduate research in nuclear spectroscopy at the University of Riyadh.

Section 54 b. of the Atomic Energy Act provides that, "Notwithstanding the provisions of sections 123, 124, and 125, the Commission is authorized to distribute to any person outside the United States... 2) other special nuclear material when it has, in accordance with subsection 57 d., exempted certain classes or quantities of such other special nuclear material or kinds of uses or users thereof from the requirements for a license set forth in this chapter." Section 54 c. provides that "The Commission is authorized to license or otherwise permit others to distribute special nuclear material to any person outside the United States under the same conditions, except as to charges, as would be applicable if the material were distributed by the Commission." Therefore, the Executive Branch has concluded that this export of small quantities of special nuclear material may be licensed without requiring that it be pursuant to an agreement for cooperation.

*EB approval and applicant's
withdrawal request crossed
in mail.*

Betty Wright, EH, NRC

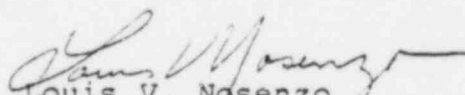
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Moreover, the Executive Branch has previously concurred in the amendment of rules and regulations for the export of certain quantities of nuclear material which do not have significance from a nuclear proliferation perspective. The amended regulations, published March 21, 1980 in the Federal Register and effective April 21, 1980, provide under 10 CFR Part 110.44 iii that "The proposed export of a production or utilization facility or of more than 3 grams of special nuclear material would be under the terms of an agreement for cooperation...". Therefore, quantities of 3 grams or less of special nuclear material may be exported without an agreement for cooperation.

The Executive Branch has concluded that the export contemplated will not be inimical to the common defense and security of the United States and is consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978. A detailed analysis is believed unnecessary in this case because of the small quantity of material involved.

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

Sincerely,


Louis V. Nosenzo
Deputy Assistant Secretary