



DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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

XSNM01724
11002193

Dear Mr. Shea:

This letter is in response to the letter from your office dated September 22, 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 NC. XSNM01724 — Application by Transnuclear, Inc. for authorization to export to Switzerland, via the Federal Republic of Germany, 2.005 kilograms of U-235 contained in 4.416 kilograms of uranium enriched to a maximum of 45.4 percent. The enriched uranium in the form of uranium hexafluoride will be shipped to NUKEM for conversion into UO_2 and manufacture of 5 prototype fuel elements and 22 fuel plates for test irradiation in the SAPHIR Research Reactor.

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

The proposed export to the intermediate consignee in the FRG for conversion and fabrication 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 the 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 and Switzerland was submitted November 27, 1979 for NRC application No. XU08427. In view of Executive Order 12193,

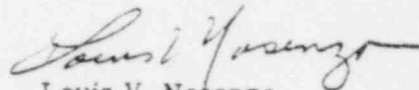
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extending the duration of the period specified in the first proviso to Section 126a(2) of the Atomic Energy Act of 1954, as amended, to March 10, 1981, that detailed analysis remains valid. There has been no other material change in circumstances since that submission.

The medium enriched material proposed for export would be fabricated into 5 prototype fuel elements and 22 fuel plates for test irradiation in the SAPHIR Reactor pursuant to the DOE/EIR cooperative program for the development of lower-enriched high density research reactor fuels.

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