BUREAU OF OCEANS AND INTET IATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

JAN 2 2 1921

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

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Dear Mr. Shea:

W. J. P.

This letter is in response to the letter from your office dated November 21, 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 1973:

NRC No. XSNM01763 — Application by Transnuclear, Inc. for authorization to export to the Federal Republic of Germany 650 kilograms of U-235 contained in 19,412 kilograms of uranium enriched to a maximum of 3.35 percent, plus .0355 kilogram U-235 in 1.0 kilogram uranium enriched to 3.35% for sampling purposes. The low enriched uranium in the form of uranium hexafluoride is intended for conversion into UO2 and fabrication into fuel elements by RBU, GmbH, Hanau, FRG, for two reloads of the Kernkraftwerk Obrigheim Nuclear Power Plant. Shipments would take place in 1981 and 1982.

The proposed export 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 this 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 was submitted November 27, 1979 for NRC application No. XU08427. 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 remains valid. There has been no other material change in circumstances since that submission.

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

Sincerely,

Louis V. Nosenzo Deputy Assistant Secretary

Enclosure: Assurance letter

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DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

December 4, 1930

Mr. John A. Griffin Director, Division of Politico-Military Security Affairs Office of International Security Affairs U.S. Department of Energy Washington, D.C. 20585

Dear Mr. Griffin:

Subject: Transnuclear, Inc. application 'REU 355 30-236/01' dated November 4, 1980 for West Germany - XSNMo1763

We certify that the material mentioned in this application, namely 650 kilograms of U235 contained in 19,412 kilograms of total uranium plus 0.0335 kilograms of U235 contained in 1.0 kilogram of uranium as sampling material, 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 Reaktor Brennelement Union, GmbH (RBU), Hanau, West Germany (for conversion and fuel fabrication purposes only), as intermediate consignee, and Kernkraftwerk Obrigheim, GmbH, Obrigheim, West Germany, as ultimate consignee, are authorized by EURATOM to receive and possess this material pursuant to the aforementioned Agreement for Cooperation.

The material, in the form of UF6, after conversion and fabrication into fuel elements by RBU, will be used in KWO's power reactor Obrigheim in - West Germany.

Sincerely,

J. Marchal

Secretary

Nuclear Supply

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cc: VMr. Robin De LaBarre, U.S. Department of State

Ms. Betty Wright, U.S. Nuclear Regulatory Commission Ms. Tracy Butenko, Transnuclear, Inc.

N.B.: Our reference is AGT/4