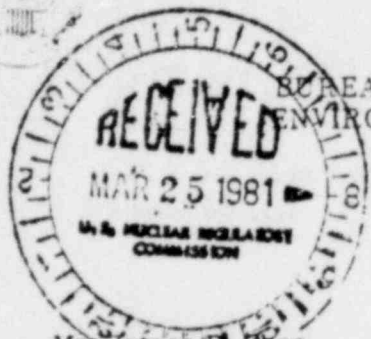


DEPARTMENT OF STATE

Washington, D.C. 20520



BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

MAR 23 1981

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

XSNM 01495
1632
1699

HEU for HFR research reactor, Petten, Netherlands

Dear Mr. Shea:

This letter is in response to the letters from your office dated April 13, 1979, December 19, 1979 and July 14, 1980, requesting Executive Branch views as to whether issuance of export licenses in accordance with the applications hereinafter described would be inimical to the common defense and security of the United States and whether the proposed exports meet the applicable criteria of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC Nos. XSNM01495, -01632 and -01699 — Applications by Transnuclear Inc. for authorization to export to the Netherlands via the Federal Republic of Germany: -01495 — 13.707 kgs. U-235 in 20.050 kgs. U; -01632 — 14.965 kgs. U-235 in 16.04 kgs. U; and -01699 — 13.707 kgs. U-235 in 20.050 kgs. U for a total of 52.479 kgs. U-235 in 56.14 kgs. U in the form of uranium hexafluoride enriched to 93.3 percent for use in the H.F.R. research reactor at Petten, Netherlands. Conversion of the exported material to uranium metal and fabrication into fuel elements will be performed at NUKEM, GmbH, Hanau, FRG.

The proposed exports would take place pursuant to the Additional Agreement for Cooperation Between the United States and the European Atomic Energy Community (EURATOM) as confirmed in letters from the Delegation of the Commission of the European Communities, copies of which are enclosed. EURATOM has adhered to the provisions of its Agreement for Cooperation with the United States.

The Executive Branch has reviewed these applications 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 exports will not be inimical to the common defense and security of the United States. A detailed analysis for EURATOM was submitted December 8, 1978 for NRC application Nos. XSNM01212, -01232, -01238 and -01241. In view of Executive Order 12295, 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, 1982, that detailed analysis remains valid. There has been no other material change in circumstances since that submission.

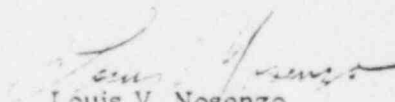
The H.F.R.-Petten reactor, operated by EURATOM, is a 45 MW research and test facility, used for materials and nuclear fuel testing. Annual fuel usage is about 32.4 kilograms U-235.

Inventory of unirradiated fuel as of mid-1980 was 102.045 kilograms of U-235 in the form of fabricated fuel and material in process of fabrication, which would permit operation until 1983. The amount now requested would permit operation until January 1985. Approximately 18 to 24 months' lead time is required for enrichment, shipment, conversion and fabrication of fuel. The Executive Branch, therefore, has concluded that the current fuel request is justified.

Tests for conversion to use of 20 percent low-enriched uranium fuel will be carried out over the next two years. But analysis of the results and possible redesign of fuel assemblies, if necessary, would not allow completion of the conversion until mid-1985.

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

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

January 15, 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. applicaiton (NUK-311) 79-337/01
dated December 17, 1979 for the Netherlands -
XSNMol632

We certify that the material mentioned in this application, namely 14.965 kilograms of U₂₃₅ contained in 16.04 kilograms of total uranium, 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 Transnuclear, GmbH, Hanau, West Germany (for transport purposes only), and Nukem, GmbH, Hanau, West Germany (for conversion and fabrication of fuel elements only), as intermediate consignees, and the European Communities' Joint Research Centre, Petten Establishment, Petten, the Netherlands, 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 enriched to 93.30% U₂₃₅, will be used for the H.F.R. Reactor at the Petten Establishment - the Netherlands.

Sincerely,

Michael Goppel
M. Goppel

ajs

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