



DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL  
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

APR 17 1981

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

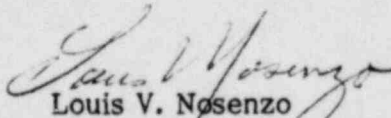
Dear Mr. Shea:

I refer to the letter from your office dated April 1, 1981 requesting an explanation of the legal basis of the Executive Branch recommendation, conveyed by my letter of March 24, 1981, that the NRC license the export to Mexico of 70 percent enriched uranium pursuant to the US-IAEA-Mexico Second Supply Agreement.

It is the view of the Executive Branch that the export of 7,375 grams of 70 percent enriched uranium may be made to Mexico pursuant to the 1972 Second Supply Agreement on the basis of the agreement by the Parties — the U.S., the IAEA and Mexico — that the Second Supply Agreement has not terminated, but rather merely specified a time period during which supply was contemplated. The Parties have agreed by the exchange of notes cited in my letter of March 24, that the remainder of the special nuclear material originally contemplated for supply to Mexico under the Second Supply Agreement, can still be transferred pursuant to that Agreement. The Parties, in effect, have agreed to extension of the specified time period, which can be considered an administrative modification of a provision in an agreement that is still in force.

I hope that the foregoing will assist the NRC in taking early action on this export application.

Sincerely,

  
Louis V. Nosenzo  
Deputy Assistant Secretary

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