

DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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Xmo 8522  
11002428

12 JUN 1981



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

Dear Mr. Shea:

I refer to the letter from your office dated April 15, 1981, requesting the 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. XM08522** -- Application by the Gerard Kluyskens Company, Inc. to authorize export to all countries except Cuba, Kampuchea, North Korea and Vietnam of rare earth polishing compounds containing natural uranium and/or thorium in concentrations ranging from 0.05 percent to 0.25 percent. The firm has held an AEC, then an NRC license for the export of this material since 1968. The polishing compounds (primarily cerium oxide) are used world-wide for polishing ophthalmic lenses, flat glass, mirrors, TV tubes, etc. A total of 249,878 pounds of cerium oxide, containing a maximum of 625 pounds of natural uranium/thorium, was exported by the firm in 1980.

It is the opinion of the Executive Branch that the proposed export may be made without being subject to the terms of an Agreement for Cooperation since source material may be licensed under Sections 62 and 64 of the Atomic Energy Act without the prerequisite of a Section 123 Agreement. Further, it is the judgment of the Executive Branch that the source material export contemplated will not be inimical to the common defense and security of the United States, provided that the total amount of contained natural uranium and thorium combined to be exported does not exceed 500 kilograms to any one country per year or 10,000 kilograms to all countries combined for the duration of the license. The Executive Branch has concluded that this export is consistent with the provisions of the Atomic Energy Act of 1954 as amended by the Nuclear Non-Proliferation Act of 1978.

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

Sincerely,

*John P. Boright*  
John P. Boright  
Acting Deputy Assistant Secretary

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\*Copy to FDR and ACC 6-15-81\*

Mr. Shea, Mr. Devine,

Tom SS / L. Wilson,