



DEPARTMENT OF STATE

Washington, D.C. 20520

PDR

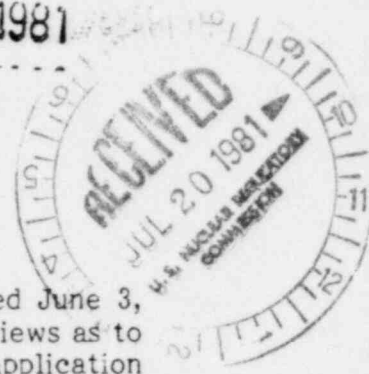
XSNM01444

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BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

14 JUL 1981

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



Dear Mr. Shea:

This letter is in response to the letter from your office dated June 3, 1981, and to previous correspondence 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 NO. XSNM01444 — Application by Transnuclear, Inc. for authorization to export to the Federal Republic of Germany 2.211 kilograms of U-235 contained in 2.37 kilograms of uranium enriched to a maximum of 93.3 percent, in the form of uranium hexafluoride. Conversion of the material and fabrication into fuel elements will be done by NUKEM, GmbH, Hanau, for use in the FRM research reactor at the University of Munich.

The proposed export would take place pursuant to the Additional Agreement for Cooperation Between the United States and the European Atomic 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 December 8, 1978 for NRC application No. XSNM01241. 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 for EURATOM remains valid. There has been no other material change in circumstances since that submission.

The FRM is a 1 MW research and test reactor operated by the University of Munich at Garching. The inventory of unirradiated fuel as of August 1980 was 9.78 kilograms U-235, sufficient for approximately 3-2/3 years of operation at an annual useage rate of 2.6 kilograms U-235, i.e., until early 1984.

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CONF TO FRM EX ACC 7-14-81

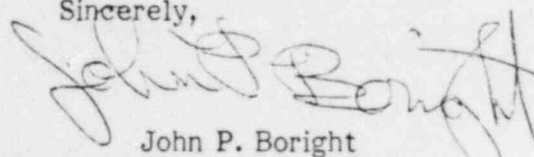
Mr Shea, M. Peterson, N. Moore, CLD/Becher, NMSS/Wiyo, C. Kessler

Under the German reduced enrichment program, work is underway to modify the reactor for use of 20 percent enriched fuel. In addition, the core will be made more compact, with increased power and lower burn-up. An additional reflector will be added to increase capacity for irradiated experiments. The core changes will be accomplished in the next few years, but conversion to use of 20 percent fuel may not be possible until 1985, because of the time required for testing, fabrication and licensing of the new lower enriched fuel.

The current request for 2.211 kilograms U-235 would be sufficient for approximately nine months of operation, or until January 1985, allowing for approximately 4 percent loss in fabrication. Increased power and reduced burnup resulting from the planned core changes could decrease this time by as much as 18 months. In view of the estimated lead time of 2 years required for enrichment, shipment, conversion and fabrication, the current request appears reasonable.

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

Sincerely,



John P. Boright
Acting Deputy Assistant Secretary

Enclosure:

As stated.

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

Mr. J.A. Griffin
Director
Division of Politico-Military Security Affairs
Office of International Security Affairs
DCE
Forrestal Building, Mail Stop 5F 066
1000 Independence Avenue S.W.
Washington, D.C. 20585

3 June, 1981.

Dear Mr. Griffin:

Subject: Amendment to Transnuclear, Inc.'s
Application dated January 24th,
1979 for West Germany. XSNM-1444
Our Ref.: Our letter to Mr. V.H. Hudgins of
March 27th, 1979

This is to amend the quantity of special nuclear material appearing in our authorization letter of March 27th, 1979.

The material, originally 13.062 kg of U-235 contained in 14.00 kg of U has been reduced to 2.211 kg of U-235 contained in 2.370 kg of U.

Above reduced quantity of material is destined to the fueling of the FRM reactor through 1985. The other data of our letter of March 27th, 1979 remains unchanged.

Thank you for your assistance.

Yours sincerely,



Joseph Marchal
Secretary
Nuclear Supplies

CC: Mrs. Betty Wright, US NRC
Mr. Robin De LaBarre, US DOS
Ms. Vicki Matson, Transnuclear, Inc.

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

EURATOM SUPPLY AGENCY

March 27, 1979
JM/aks

Mr. Vance H. Hudgins
Assistant Director for Politico-
Military Security Affairs
Division of International Security Affairs
Department of Energy
Washington, D. C. 20545

Subject: Transnuclear Inc. application dated January 24, 1979,
for West Germany, XSNM-1444.

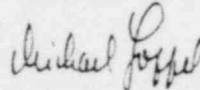
Dear Mr. Hudgins:

We certify that the material mentioned in this application, namely 13.062 kg of U-235 contained in 14.00 kg of U, 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 Nukem GmbH, Hanau, West Germany and Transnuklear GmbH, Hanau, West Germany, as intermediate consignees and Technical University at Garching, Munich, West Germany, as ultimate consignee, are authorized by EURATOM to receive and possess this material pursuant to the aforementioned Agreement for Cooperation.

The material will be used for the manufacture of fuel elements for the FRM reactor at Garching.

Sincerely,



F.F. SPAAK
Head of Delegation

cc: Mr. Robert DeLabarre, State Department ✓
Ms. Betty Wright, Nuclear Regulatory Commission
Ms. Vicki Matson, Transnuclear Inc.