



DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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July 21, 1982

EXPORT/IMPORT  
AND  
INTERNAT'L AFFAIRS

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

XSNM01123  
amend. 1  
Malaysia

Dear Mr. Shea:

This letter is in response to the letter from your office dated June 28, 1982, requesting Executive Branch views as to whether amendment of an export license in accordance with the application hereinafter described meets the applicable criteria of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978:

**NRC No. XSNM01123** — Application by General Atomic Company to amend license XSNM01123 to authorize export to Malaysia of an additional 1,080 grams of U-235 in 5,430 grams of uranium enriched to 19.9 percent in the form of TRIGA fuel elements for the TRIGA Mark II Research Reactor to be constructed at the Tun Ismail Atomic Research Center. This would bring the total material to be authorized for export under XSNM01123 to 6.03 kilograms of U-235 in 30.19 kilograms of uranium enriched to 19.9 percent.

The Executive Branch has reviewed this export application and concluded that the requirements of the Atomic Energy Act, as amended, have been met for the supply of enriched uranium for the Tun Ismail TRIGA Mark II Reactor and that the proposed export will not be inimical to the common defense and security of the United States.

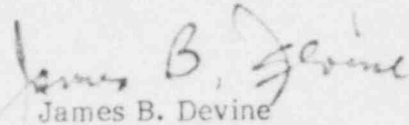
A detailed Executive Branch analysis for Malaysia with respect to the export of a TRIGA II Research Reactor was submitted to the NRC on October 29, 1980 for license application XR-125. There has been no material change in circumstances since that submission.

The consolidated Trilateral Project and Supply Agreement between the IAEA, Malaysia and the United States, which entered into force on September 22, 1980, provided for the supply by the U.S. to Malaysia of approximately 24,760 grams of uranium enriched to approximately 19.9 percent and approximately 7.6 grams of uranium enriched to approximately 93 percent in neutron detectors. This Agreement was amended effective July 22, 1981 to increase the total of material to be supplied to 30,240 grams. The exchange of notes between the U.S. and Malaysia, dated September 22, 1980, confirms the application of additional conditions and guarantees to the supply by the U.S. to Malaysia of a TRIGA Mark II research reactor and low-enriched fuel including fallback safeguards provisions which fully meet the requirements of the

Atomic Energy Act, as amended. Signatures by authorized representatives of the IAEA, the U.S. and Malaysia confirm that the proposed export will be subject to the terms and conditions of the U.S.-IAEA Agreement for Cooperation, as amended, in accordance with Article III.2 of the Project and Supply Agreement of September 22, 1980, amended July 22, 1981.

On the basis of the foregoing, the Executive Branch recommends that the license be amended as requested to authorize export of the additional amount of enriched uranium.

Sincerely,

A handwritten signature in dark ink, appearing to read "James B. Devine". The signature is written in a cursive style with a large, sweeping flourish at the end.

James B. Devine  
Deputy Assistant Secretary