

DEC 28 1990

Major General Malcolm R. O'Neill USA
Deputy Director
Strategic Defense Initiative Organization
Department of Defense
Washington, D.C. 20301-7100

Dear Major General O'Neill:

In response to your letter dated December 24, 1990 regarding the import of a TOPAZ reactor system from the USSR for exhibit at the 8th Space Nuclear Power Symposium in Albuquerque, New Mexico on January 6-10, 1991, this is to advise you that the Nuclear Regulatory Commission has made the technical determination that the TOPAZ reactor system, as described in your letter and attachment, meets the definition of a utilization facility as defined in the Atomic Energy Act of 1954, as amended, and 10 CFR § 110.2.

The import of a utilization facility is under the jurisdiction of the NRC and would require a specific import license issued by the NRC or an exemption authorized by the President under Section 91 of the Atomic Energy Act.

We again wish to remind you that, if an import license is requested by DOD, and issued by the NRC, the TOPAZ reactor system could not be reexported to the USSR under Section 104.d. of the Atomic Energy Act of 1954, due to the absence of an Agreement for Cooperation between the two countries.

Further, if you wish to ~~import~~ or a specific import license from the NRC, please advise us whether or not the unit to be imported contains any radioactivity and, if it does, please specify the types and levels of this radioactivity.

Please call me on (301) 492-0724, if you need further guidance in this matter.

Sincerely,

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Ronald D. Hauber
Assistant Director
Exports, Security, and
Safety Cooperation
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