

APPLICATION FOR LICENSE TO EXPORT NUCLEAR  
MATERIAL AND EQUIPMENT (See instructions on Reverse)

1. APPLICANT'S USE		a. DATE OF APPLICATION 10-3-90		b. APPLICANT'S REFERENCE 767667		2. NRC USE		a. DOCKET NO. 11004400		b. LICENSE NO. XCOM1054	
3. APPLICANT'S NAME AND ADDRESS						4. SUPPLIER'S NAME AND ADDRESS					
a. NAME Rosemount Inc.						RIS					
b. STREET ADDRESS 12001 Technology Drive						a. NAME					
c. CITY Eden Prairie			STATE MN		ZIP CODE 55344	b. STREET ADDRESS					
d. TELEPHONE NUMBER (Area Code - Number - Extension) 612-949-7079						c. CITY			STATE		ZIP CODE
5. FIRST SHIPMENT SCHEDULED 11/2/90		6. FINAL SHIPMENT SCHEDULED 3/1/91		7. APPLICANT'S CONTRACTUAL DELIVERY DATE 11/2/91		8. PROPOSED LICENSE EXPIRATION DATE 5/01/91		9. U.S. DEPARTMENT OF ENERGY CONTRACT NO. (If Known)			
10. ULTIMATE CONSIGNEE						11. ULTIMATE END USE					
a. NAME Nuklearna Hektrarna Krsko						(Include plant or facility name) Krsko (Krsko, Slovenia) for use in-containment					
b. STREET ADDRESS Urbina 12						11a. EST. DATE OF FIRST USE					
c. CITY - STATE - COUNTRY 68270 KRSKO YUGOSLAVIA						12. INTERMEDIATE CONSIGNEE					
RIS						13. INTERMEDIATE END USE					
d. STREET ADDRESS						13a. EST. DATE OF FIRST USE					
e. CITY - STATE - COUNTRY						14. INTERMEDIATE CONSIGNEE					
RIS						15. INTERMEDIATE END USE					
a. NAME						15a. EST. DATE OF FIRST USE					
b. STREET ADDRESS						16. NRC USE					
c. CITY - STATE - COUNTRY						17. DESCRIPTION (Include chemical and physical form of nuclear material, give dollar value of nuclear equipment and components)					
18. MAX. ELEMENT WEIGHT		19. MAX. WT.-%		20. MAX. ISOTOPE WEIGHT		21. UNIT		22. COUNTRY OF ORIGIN - SOURCE MATERIAL			
								USA			
								23. COUNTRY OF ORIGIN - SNM WHERE ENRICHED OR PRODUCED			
								NA			
								24. COUNTRIES WHICH ATTACH SAFEGUARDS (If Known)			
								NA			
25. ADDITIONAL INFORMATION (Use separate sheet if necessary)											
against 10 CFR 21 9101310189 901003 Transmitters returned for module replacement PDR XPORT PDR XCOM-1054											
26. The applicant certifies that this application is prepared in conformity with Title 10, Code of Federal Regulations, and that all information in this application is correct to the best of his/her knowledge.											
27. AUTHORIZED OFFICIAL				a. SIGNATURE				b. TITLE			
				Melanie Martin				CONTRACT ADMINISTRATOR			

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USNRC

*Action OES*

Belgrade 27 July 1978  
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OFFICE OF  
INTERNATIONAL  
PROGRAMS

X CORN 1054  
11004400

Dear Mr. Secretary of State:

I have the honour to refer to the matter of supply of the US nuclear fuel for the Krško Nuclear Power Plant which remained outstanding after we had, on 12 May 1977, solved the problem of supply of equipment for our first nuclear power plant. The problems which arose at that time were due to the request of the United States Government to revise the existing agreements on the construction of the Krško Nuclear Power Plant, i.e. the request of the US Government for additional bilateral safeguards.

I would like to take this opportunity to repeat that the Government of the Socialist Federal Republic of Yugoslavia has in its policy always and consistently pledged itself for nuclear disarmament and has, consequently, attached exceptional importance to the halting of the nuclear arms race and prohibition of production, stockpiling and use of nuclear weapons. By ratifying the Treaty on Non-Proliferation of Nuclear Weapons (NPT) and by accepting the Agency's multilateral safeguards system it has, for its part, undertaken not to produce nor procure nuclear weapons or nuclear explosives and also that it will not use for military purposes nuclear technology and techniques which it receives. The Government of the SFR of Yugoslavia has most faithfully adhered to the mentioned commitments and this constitutes a lasting component of its policy.

His Excellency  
Mr. Cyrus Vance  
Secretary of State

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I would like to note that the Government of the SFR of Yugoslavia, being consistent to its policy of non-proliferation of nuclear weapons, has in connection with the construction of the Krško Nuclear Power Plant undertaken as follows:

(a) Under the agreement between the Government of the Socialist Federal Republic of Yugoslavia and the International Atomic Energy Agency, Yugoslavia has undertaken that the reactor for the Krško Nuclear Power Plant and any nuclear material contained, used, produced or processed in, or by the use of the reactor, shall not be used in such a way as to further any military purpose;

(b) The same agreement specifies that the safeguards, rights and responsibilities of the Agency provided for in paragraph A of Article XII of its Statute are relevant to the Krško Nuclear Power Plant, and that their implementation is satisfied by the application of safeguards procedures pursuant to the Agreement between the Socialist Federal Republic of Yugoslavia and the International Atomic Energy Agency for the Application of Safeguards in connection with the Treaty on Non-Proliferation of Nuclear Weapons;

(c) The Government of the SFR of Yugoslavia will do everything within its competence towards the implementation of the provisions of the Agreement concluded between the Nuclear Power Plant Krško Consortium and the Export-Import Bank, of 25 July 1974, to the effect that no equipment or materials supplied by the United States to the Krško Power Plant will be exported to or used in any other country, leased, sold or otherwise disposed. It is understood that those undertakings shall apply to all nuclear fuel the Krško Nuclear Power Plant may receive under this arrangement, irrespective of the duration of that Agreement.

We are convinced that the commitments cited above are fully consistent with the nuclear weapons non-proliferation objectives our two countries support and are, therefore, entirely in keeping with prevention of possible misuses and comply with the United States requirements concerning the non-proliferation of nuclear weapons.

As you already know the Government of the SFR of Yugoslavia has, in October 1977, responded to the invitation of the United States Government to participate in the INFCE studies and contribute to the solution of problems related to the use of nuclear energy. Yugoslavia has, together with other participants at the aforementioned Conference, including the United States, supported the attitude that nuclear energy for "peaceful purposes should be made widely available" and expressed its "conviction that effective measures can and should be taken at the national level and through international agreements which would contribute to minimize the danger of the proliferation of nuclear weapons without jeopardizing nuclear energy supply for peaceful purposes."

We are convinced as well as other participants of the Conference that while the INFCE studies are being carried out and new solutions, confirmed by the international community are not adopted, there must not be any changes in the existing arrangements for nuclear fuel supply and transfer of nuclear technology.

The SFR of Yugoslavia has noted that the Government of the United States affirms its interest in the timely issuance of necessary licenses for export of fuel for the first core and first reload as well as subsequent fuel for the Krško Nuclear Power Plant as may be requested, in accordance with the existing agreements including the Agreement for Furnishing Uranium Enrichment Services under the Agreement for Cooperation of 14 August 1974 ("The Contract").

Having in mind that the United States considers disposal of irradiated fuel a particular problem, the Government of the SFR of Yugoslavia would like to state the following:

The SFR of Yugoslavia is ready to store the irradiated US fuel in adequate storage facilities on the territory of the SFR of Yugoslavia for a period of time sufficient for its possible subsequent use in support of the economic development of the SFRY and in accordance with non-proliferation objectives. The SFR of Yugoslavia furthermore expresses its readiness to expand its irradiated fuel temporary storage facilities and notes with pleasure the intention of the United States Government to provide appropriate support for these efforts.

With respect to disposition of the US fuel irradiated in the Krško Nuclear Power Plant the SFR of Yugoslavia shall accomplish such disposition in accordance with the alternatives set forth below:

A. Storage in the SFR of Yugoslavia;

B. Storage, processing or other disposition in accordance with internationally accepted arrangements to which both the Government of the SFR of Yugoslavia and the Government of the United States subscribe;

C. Storage in the United States for a fixed fee under related commercial arrangements, if practicable.

The Government of the SFR of Yugoslavia understands that the undertakings cited above refer to the first core and first reload and any other subsequent reload that may be requested and transferred. These undertakings may be terminated, it being understood that such termination shall

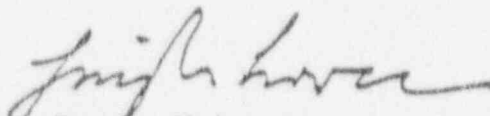


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not affect the rights and obligations of the Parties (including, those set forth in this Letter) with respect to fuel transferred to the SFR of Yugoslavia prior to such termination. Nothing in these arrangements is meant to affect the terms or conditions of the Agreement for Furnishing Uranium Enrichment Services under the Agreement for Cooperation of 14 August 1974, and the Agreement for the Supply of Uranium Enrichment Services for a Nuclear Power Facility in the SFR of Yugoslavia of 14 June 1974.

In conclusion, I would like to note that should the SFR of Yugoslavia or the United States subscribe to any new international agreement which would refer to issues regulated by this Agreement, the Government of the SFR of Yugoslavia expresses its readiness to enter promptly into negotiations on necessary modifications for the implementation of those agreements, unless their immediate implementation has been provided for therein.

Sincerely yours,

  
Josip Vrhovec