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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510

JAMES P. LUCIER MINORITY STAFF DIRECTOR

May 12, 1987

The Honorable Lando W. Zech Chairman Nuclear Regulatory Commission 1717 H Street, N.W. Washington, D.C. 20555

Dear Mr. Chairman:

It is my understanding that the Commission will be considering the question of imports of South African uranium and uranium oxide raised by the Anti-Apartheid Act of 1986. It is my position, and that of twenty-five of my Senate colleagues, that no restrictions should be placed on South African uranium ore and oxide which is imported into this country for processing and reexport. Congressional intent is clear on this point.

For the Commission's consideration, I have enclosed a copy of a May 7 letter which twenty-four Senators sent to the Secretary of the Treasury urging the Department to make its interim regulations dealing with this issue permanent. As you know, Treasury's interim rules allow for temporary entry of South African uranium ore and oxide for processing and reexport. In the interests of consistency, fairness and Congressional intent, I hope that the Nuclear Regulatory Commission will act in line with Treasury's directives.

Sincerely,

MITCH MCCONNELL

UNITED STATES SENATOR

MM/3W

Enclosure

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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510

May 7, 1987

The Honorable James Baker, III Secretary Department of Treasury Washington, D.C. 20220

Dear Secretary Baker:

In response to your request for public comment, we are writing to express our support for the Treasury Department's interim rule regarding Section 309 of the Anti-Apartheid Act of 1986. We strongly urge you to make this ruling permanent. We believe the Treasury Department's interim interpretation is consistent with Congressicual intent explicitly stated prior to final passage of the legislation.

As noted in the regulations, "The domestic conversion industry and the Federal government's enrichment industry could be seriously injured in a manner unintended by the Congress if the section 309 import ban on uranium ore and uranium oxide were implemented to bar imports for processing and export through a mistaken interpretation." No member of Congress intended for the legislation to cost American jobs, damage a vital American industry, or allow South African uranium to be converted by our foreign competitors with the potential for eventual use by American utilities.

Specificallly, we are concerned that without some provision for temporary entry of uranium for processing and reexport, foreign customers with long-term uranium supply contracts with South Africa will simply shift their processing business to Europe and the Soviet Union. This would inflict serious, unintended damage on the U.S. conversion, enrichment and fabrication industries, while having no sanction effect on South Africa.

We appreciate this opportunity to clarify Congressional intent regarding Section 309. We concur with the Treasury Department's interim decision which preserves the public and private domestic interim decision which preserves the public and private domestic interim processing industry. In the interest of assuring the uranium processing industry. In the ruling permanent.

Sincerely,

The Honorable James Baker, III May 7, 1987 Page 3