



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

ACC
XR-127
50-587

JUL 3 1978

MEMORANDUM TO THE FILE

STAFF CONCLUSIONS REGARDING PROPOSED LICENSE TO EXPORT A POWER REACTOR
TO SWITZERLAND (XR-127)

In July 1977, General Electric Company filed an application for a license to export a boiling water reactor to Energie Nucleaire de Kaiseraugst, S.A. of Switzerland.

The reactor, known as the Kaiseraugst Nuclear Power Station, has a design power level of 2,894 MW(t) (962 MW(e)) and will be located 12 kilometers east of Basel, Switzerland. The scheduled commercial operation for the plant is October 1, 1983. The export is valued at approximately \$23,000,000.

In response to our August 1, 1977 request for views, the Executive Branch has (1) concluded that issuance of the proposed license would not be inimical to the interests of the US, including the common defense and security; and (2) confirmed that the material will be subject to all the terms and conditions of the Agreement for Cooperation between the US and Switzerland.

The views and license application analysis by the Executive Branch were forwarded by the State Department analysis of May 22, 1978.

Confirmation of the applicability of the US-Switzerland Agreement for Cooperation was also set forth in the letter of March 6, 1978 from the Embassy of Switzerland.

The staff has reviewed the subject application in light of the considerations below:

- o Safeguards. Although a party to the NPT, Switzerland has not yet concluded an NPT safeguards agreement with the IAEA pursuant to INFCIRC/153. Nevertheless, all materials or facilities proposed to be exported or previously exported pursuant to the US-Switzerland Agreement for Cooperation and any US-supplied Nuclear Material used in the facility, or produced through the use thereof, will be subject to IAEA safeguards under a trilateral US-Switzerland-IAEA safeguards agreement based on INFCIRC/66/Rev. 2. It is expected that IAEA safeguards pursuant to INFCIRC/153 will be brought into force this year or in 1979.

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- c No Nuclear Explosive Use. As a non-nuclear weapon state party to the NPT, Switzerland has undertaken the obligations not to receive the transfer from any transferor whatsoever of nuclear weapons or other nuclear explosive devices or of control over such weapons or explosive devices directly or indirectly; not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.
- o Physical Security. The Executive Branch has assessed the physical security measures maintained in Switzerland with respect to nuclear material and facilities and has found them adequate for the facility covered by this license. The Executive Branch has also advised that Switzerland has implemented IAEA guidelines regarding the physical security for nuclear materials. Based upon the staff's assessment of information obtained through visits, reviews, and exchanges, and upon information provided by the Executive Branch, the physical security program in Switzerland is considered adequate to physically protect the facility, the fuel, and the material produced through the use thereof, as required pursuant to 10 CFR 110.42 and 110.43.
- o Retransfer. The US-Switzerland Agreement prohibits the retransfer of any material supplied by the US, beyond the jurisdiction of Switzerland without US approval to such retransfer, and then only if it is within the scope of an agreement for cooperation between the US and the other nation or group of nations. Similarly, it prohibits the transfer of special nuclear material produced through the use of US-supplied material or facilities without US approval.
- o Reprocessing. The US-Switzerland Agreement stipulates that any reprocessing of US-supplied material shall be performed in facilities acceptable to both parties upon a joint determination that safeguards may be effectively applied.

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- o Sensitive Technology. The proposed export does not involve sensitive technology.

As more fully developed in its memorandum dated May 22, 1978, the Executive Branch has determined that Switzerland currently meets all the criteria of P.L. 95-242, including the requirements of Section 126(a)(1) and the specific criteria of Sections 127 and 128 and that Switzerland has adhered to all the provisions of its Agreement for Cooperation with the US.

The staff has concluded that issuance of the proposed license would be consistent with the recently enacted Nuclear Nonproliferation Act, including the specific criteria of Section 127.

In view of all the considerations above, and as required by Section 103 of the Atomic Energy Act and 10 CFR 110.44, the staff has concluded that the export to be made pursuant to the proposed license (1) would be subject to the terms and conditions of the Agreement for Cooperation between the US and Switzerland, and (2) would not be inimical to the common defense and security of the United States or constitute an unreasonable risk to the public health and safety.

R. Neal Moore

R. Neal Moore
Senior Licensing Reviewer
Office of International Programs