

DCS/DF02



DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

February 14, 1989

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

XU08668

Dear Mr. Shea:

This letter is in response to the letter from your office dated June 22, 1988, requesting Executive Branch views as to whether issuance 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. XU08668 - Application by Mitsubishi International Corporation for authorization to export 85,000 kilograms of natural uranium in the form of uranium hexafluoride to Japan for low enrichment by the Power Reactor and Nuclear Fuel Development Corporation and subsequent use as fuel in Takahama Nuclear Power Plant Unit No. 3.

The proposed export of natural uranium would take place pursuant to the Agreement for Cooperation Between the United States and Japan as confirmed in a Note Verbale from the Japanese Foreign Ministry, a copy of which is enclosed. Japan has adhered to the provisions of its Agreement for Cooperation with the United States.

Under Section 17b. Elimination of Duplicative Reviews, of the Amended Procedures Established pursuant to the Nuclear Non-Proliferation Act of 1978, "where a proposed export requires approval for enrichment pursuant to section 402(a) of the NNPA and the proposed export for enrichment is licensed by the Nuclear Regulatory Commission, the Secretary of Energy, with the concurrence of the Secretary of State and having consulted the Director of the Arms Control and Disarmament Agency, the Nuclear Regulatory Commission and the Secretary of Defense, hereby approves such enrichment". Thus, a separate approval action of the proposed enrichment abroad under this license request is not required.

It is the view of the Executive Branch that the requirements of the Atomic Energy Act, as amended, have been met and that the proposed export will not be inimical to the common defense and security of the United States. A detailed analysis for Japan was submitted November 2, 1988. There has been no material change in circumstances since that submission.

On the basis of the foregoing, the Executive Branch recommends that the license be issued.

Sincerely,

Richard J.K. Stratford
Deputy Assistant Secretary
Nuclear Energy & Energy Technology Affairs

8902270285 890214
PDR XPORT
XU-8668 PDC

Enclosure:

JAPAN
CITY OF TOKYO
EMBASSY OF THE UNITED STATES OF AMERICA) SS:

I, Marilyn Ereshefsky, Vice Consul
of the United States of America, in and for Tokyo,
Japan, duly commissioned and qualified, do hereby
certify that this document is a true and correct copy
of the original this day exhibited to me and compared
by me with the said original and found to agree therewith
word for word and figure for figure.

IN WITNESS WHEREOF

I have hereunto set my hand
and the official seal of the
Consular Service of the United
States of America at Tokyo,
Japan, this 31st day
of January, A.D., 1989.

Marilyn Ereshefsky
Marilyn Ereshefsky
Vice Consul of the United States of America
duly commissioned and qualified.

No. 85

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to refer to paragraph 3 of Article 2 of the Agreement for Cooperation Between the Government of the United States of America and the Government of Japan Concerning Peaceful Uses of Nuclear Energy signed at Tokyo on November 4, 1987 (hereinafter referred to as "the Agreement").

The Embassy has the further honor to notify the Ministry of Foreign Affairs, in accordance with the provision referred to above, of the intended transfer of the items detailed in the attachment to this Note.

The Embassy would appreciate a written confirmation by the Government of Japan that the above-mentioned items will be held subject to the Agreement upon their entry into the territorial jurisdiction of Japan, and that the proposed recipients are authorized persons in Japan.

The Embassy of the United States avails itself of this opportunity to renew to the Government of Japan the assurances of its highest consideration.

Enclosure

Serial No. 89/US/010

Embassy of the United States of America, RWG
Tokyo, January 30, 1989.

Attachment to Diplomatic Note No. 85
Dated January 30, 1989

Serial No. : 89/US/010

NRC Application No. : XU08668

Date of Application : June 14, 1988

Applicant
(name & address) : Mitsubishi International Corporation
520 Madison Ave.
New York, NY 10022

Supplier
(name & address) : Allied-Signal, Inc.
Metropolis Plant
P.O. Box 430
Metropolis, Illinois 62960

Ultimate Consignee
(name & address) : The Kansai Electric Power Co., Inc.
3-22 Nakanosima, 3-chome
Kita-ku, Osaka

Ultimate End Use : For reload of Takahama Nuclear Power
Station Unit 3

Intermediate Consignees:
(name & address,
(intermediate end use) Power Reactor and Nuclear Fuel
Development Corp.,
1550 Kamisaibara Mura
Tomada Gun, Okayama Prefecture for
enrichment; and

Mitsubishi Nuclear Fuel Co. Ltd.
No. 622-1, Funaishikawa, Tokai Mura,
Naka Gun, Ibaraki Prefecture, for
conversion from UF6 to UO2 and
fabrication into fuel assemblies

and/or

Japan Nuclear Fuel Conversion Co. Ltd.
Tokai Works, Tokai Mura, Naka Gun,
Ibaraki Prefecture for conversion of
UF6 to UO2; and

Nuclear Fuel Industries, Ltd.,
Kumatori Works, Kumatori Cho, Sennan
Gun, Osaka, for fuel fabrication

Description
(maximum quantity) : 85,000 kilograms of natural uranium as
uranium hexafluoride

Country of Origin of
Source Material : United States of America

Shipment schedule : To begin March 1989.



科原第26号

平成元年2月1日

口 上 書

外務省は、在本邦アメリカ合衆国大使館に敬意を表するとともに、原子力の平和的利用に関する協力のための日本国政府とアメリカ合衆国政府との間の協定（以下「協定」という）の下で行われる品目の予定される移転の同協定第二条3に基づく通告に関する1989年1月30日付合衆国大使館口上書第85号を受領した旨確認する光栄を有する。

外務省は、更に、上記口上書の付属に掲げられた品目が日本の領域的管轄に入る時から、この協定の適用を受けることとなること及び予定される受領者が日本において認められた者であることを確認する光栄を有する。

外 務 省

Translation

MINISTRY OF FOREIGN AFFAIRS
TOKYO, JAPAN

No. 26/SCNE

NOTE VERBALE

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to acknowledge the receipt of Note No. 85 dated January 30, 1989 from the Embassy of the United States of America concerning the notification of the intended transfer of items under the Agreement for Cooperation Between the Government of Japan and the Government of the United States of America Concerning Peaceful Uses of Nuclear Energy, (hereinafter referred to as "the Agreement") pursuant to paragraph 3 of Article 2 thereof.

The Ministry of Foreign Affairs has the further honor to confirm that the items listed in the attachment to the said Note will be held subject to the Agreement upon their entry into the territorial jurisdiction of Japan and that the proposed recipients are authorized persons in Japan.

Tokyo, February 1, 1989.

Tokyo, January 30, 1989.