

**February 17, 1999**

**SECY-99-050**

**FOR:** The Commissioners

**FROM:** Janice Dunn Lee, Acting Director  
Office of International Programs

**SUBJECT:** PROPOSED LICENSE TO EXPORT DEUTERIUM OXIDE TO  
SWITZERLAND (XMAT0396)

**PURPOSE:**

To request Commission approval of the proposed issuance of a license to Transport Logistics International, on behalf of Argonne National Laboratory, involving the export of deuterium oxide (heavy water). The application is being referred to the Commission in accordance with 10 CFR 110.40(b)(3).

**DISCUSSION:**

On February 1, 1999 Transport Logistics International applied for a license (Attachment 1) to export to Switzerland up to 2,635 kilograms of deuterium oxide (heavy water) for use by CU Chemie Uetikon for production of deuterated solvents and compounds for resale to universities, pharmaceutical, petroleum and perfume companies for use as control standards in nuclear magnetic resonance spectrometers.

In response to NRC's request for views on the proposed export, the Executive Branch, in a letter dated February 5, 1999 (Attachment 2), recommends that the license be issued to Transport Logistics International. The letter notes that, as a party to the Non-proliferation Treaty (NPT), Switzerland has committed itself to maintain IAEA safeguards on all of its peaceful nuclear activities and has pledged not to produce or otherwise acquire any nuclear explosive device, therefore satisfying criteria (1) and (2) of Section 109b of the Atomic Energy Act, as amended, for exports of nuclear components, substances and items. The remaining criterion, agreement not to retransfer any of the U.S.-supplied heavy water without prior U.S. consent, has been satisfied by the receipt of a generic assurance letter dated October 3, 1978 from the Embassy of Switzerland. Accordingly, it is the judgment of the Executive Branch that the proposed export will not be inimical to the common defense and security of the United States and that the export is consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-proliferation Act of 1978.

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**CONCLUSION:**

The staff concurs with the Executive Branch judgment that the proposed export would not be inimical to the common defense and security of the United States and also meets the three specific export licensing criteria of Section 109b of the Atomic Energy Act of 1954, as amended. There are no applicable international safeguards or foreign physical protection requirements for the proposed export.

**RECOMMENDATION:**

That the Commission authorize the issuance of the requested license to Transport Logistics International.

Janice Dunn Lee, Acting Director  
Office of International Programs

Attachments: 1. 2/1/99 Transport Logistics International Export License Application  
2. 1/5/99 DOS Ltr RJStratford to JDLee

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