

MEMORANDUM TO: Ronald D. Hauber, Director  
Division of Nonproliferation,  
Exports and Multilateral Relations  
Office of International Programs

FROM: Theodore S. Sherr, Chief  
Licensing and International  
Safeguards Branch  
Division of Fuel Cycle Safety  
and Safeguards, NMSS

SUBJECT: XSNM-3111, EXPORT OF LOW-ENRICHED  
URANIUM TO ARGENTINA

We have reviewed the subject export application and provide the following international safeguards and foreign physical protection information for your consideration. This case involves the export of low-enriched uranium in the form of targets for testing and demonstrating at the RA3 research reactor in Argentina as part of the RERTR program.

#### International Safeguards

On March 4, 1994, Argentina, Brazil, the ABACC and the IAEA entered into an agreement for the application of IAEA safeguards on all source and special nuclear material in their nuclear activities. On February 10, 1995, Argentina ratified the NPT. An exchange of letters has taken place between Argentina and the IAEA confirming that the quadripartite agreement mentioned above satisfies the requirements of Argentina under Article III of the NPT to conclude a safeguards agreement with the IAEA. The exchange of letters entered into force on the date of approval by the Board of Governors.

The 1998 IAEA Annual Report does not list a Facility Attachment (FA) as being under negotiation or in force for the RA3 research reactor in Argentina. Staff, however, has confirmed with the U.S. Mission in Vienna that an IAEA FA entered into force on July 30, 1998, and is currently in place for RA3.

We note that the IAEA Safeguards Implementation Report for 1998 states that, with the exception of the DPRK situation, "...the Secretariat did not find any indication that nuclear material which had been declared and placed under safeguards had been diverted for any military purpose or for purposes unknown, or that facilities, equipment or non-nuclear material placed under safeguards were being misused. All the information available to the Agency supports the conclusion that the nuclear material and other items placed under safeguards remained in peaceful nuclear activities or were otherwise adequately accounted for."

#### Physical Protection

An evaluation was performed during a visit to Argentina in July 1996. The conclusion of this review was that Argentina's physical protection program was consistent with the then-current version of INFCIRC/225 (i.e., Rev. 3). Staff has reviewed subsequent information received to date, and has determined that there is no indication that the physical protection program has degraded in this country. In addition, staff has determined, on the basis of currently available information, that physical protection measures to protect against proliferation of nuclear weapons are in conformance with the current version of INFCIRC/225 (i.e., Rev.4).

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