IN RESPONSE, PLEASE
REFER TO: M000710B

July 27, 2000

MEMORANDUM TO: Janice Dunn Lee, Director
Office of International Programs

William D. Travers
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary ***/RA/***

SUBJECT: STAFF REQUIREMENTS - BRIEFING ON PROPOSED EXPORT OF HIGH ENRICHED URANIUM TO CANADA, 1:30 P.M., MONDAY, JULY 10, 2000, COMMISSIONERS' CONFERENCE ROOM, ONE WHITE FLINT NORTH, ROCKVILLE, MARYLAND (OPEN TO PUBLIC ATTENDANCE)

The Commission was briefed on issues related to the export of high enriched uranium (HEU) to Canada. The Commission deeply appreciates the willingness of all parties to participate in this briefing on short notice. The first panel included representatives of the licensee; MDS Nordion and Atomic Energy of Canada, Ltd (AECL). The second panel included representatives from the Nuclear Control Institute. The final panel included representatives from the Department of State and the Department of Energy (DOE EXIT) and its support contractor, Argonne National Laboratory (ANL EXIT).

The Commission is sensitive to the importance of maintaining an uninterruptable supply of medical isotopes. The Commission is also acutely aware of its obligations under the Schumer Amendment contained in the Energy Policy Act of 1992. Having reviewed the yearly reports from MDS Nordion and the Executive Branch and having conducted this public meeting, the Commission believes that the requirements of the Schumer Amendment are being met and that there is no need to modify the export license at this time. However, the Commission expects that progress will continue for conversion to LEU target utilization.

The Commission observes that the total quantity of HEU authorized for export is specified in the license on an calender year (CY) basis and that the authorization for CY 1999 of 40.2 kilograms (kg) has expired without any export. For the remaining 3½ years of the license, a total of 90.4 kg HEU is authorized for export subject to the conditions set forth in the license.

The Commission notes that the licensee has made significant progress over the past year in identifying, analyzing, and resolving issues relevant to the conversion of the Maple reactors and NPF to LEU targets, particularly within the period immediately preceding this briefing. The Commission understands that confidentiality and intellectual property rights agreements are now in place to allow ANL to interact with MDS Nordion and AECL in order for ANL to participate in the MDS Nordion's next phase of conversion -- the concept development phase -- and to assist in resolving the key outstanding technical issue (calcining). The Commission was heartened to hear of DOE's support, including funding support, to ensure ANL's continued participation through FY 2001.

The Commission expects that the next yearly status report will reflect MDS Nordion's plans for obtaining the necessary regulatory approvals from the Canadian Nuclear Safety Commission, Health Canada, and the U.S. Food and Drug Administration EXIT, the progress towards conversion of the Maple reactors and NPF to LEU targets, as well as any plans for making necessary modifications.

cc: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield
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