

**Response to Request for Information
Senator John Barrasso
Letter dated December 11, 2017**

Questions to NRC and DOE

- 1. Please describe the NRC's and the DOE's respective roles, responsibilities, processes and procedures regarding exports as provided in the Energy Reorganization Act of 1974 and any other relevant laws.**

Roles and Responsibilities of the NRC

- Under the Energy Reorganization Act of 1974 (ERA),¹ Congress abolished the Atomic Energy Commission (AEC), and created the NRC and DOE's predecessor, the Energy Research and Development Administration (ERDA),² to separate nuclear energy-related regulatory/licensing authorities from broader energy research and development authorities. With the ERA, Congress made the NRC responsible for all licensing and related regulatory functions under the AEA, including licensing the export of nuclear materials under NRC domestic regulatory jurisdiction from the U.S. to foreign destinations.³
- The AEA as amended by the Nuclear Nonproliferation Act of 1978 (NNPA), established more stringent export licensing criteria and prescriptive procedures for the NRC's review and approval of exports of production or utilization facilities and source, special nuclear and byproduct materials to a foreign destination.⁴ The NNPA also expanded the NRC's export licensing authority to include licensing exports of nuclear components, and items and substances which are especially important from the standpoint of export control because of their significance for nuclear explosive purposes.⁵

**Overview of NRC Processes, Procedures and Export/Import Implementing Regulations
(Additional information provided in response to NRC-only questions)**

- Under the AEA, as amended by the NNPA, the NRC cannot issue an export license for production or utilization facilities or for source or special nuclear materials until it receives the executive branch's judgment that a proposed export will not be inimical to the U.S. common defense and security.
- All applications received by the NRC for exports of production or utilization facilities or for exports of source or special nuclear materials must be forwarded to executive branch agencies pursuant to procedures promulgated by the Department of State pursuant to the AEA as amended by the NNPA.⁶
- The NRC cannot issue an export license unless the executive branch finds that the export will not be inimical to the U.S. common defense and security. Thus, if the executive branch cannot make a non-inimicality finding, the NRC may not issue the proposed export license.

¹ 42 U.S.C. §§ 5801-5891.

² DOE assumed the functions of ERDA pursuant to the Department of Energy Organization Act of 1977. 42 U.S.C. § 7151.

³ See AEA §§ 53a and 62, 42 U.S.C. §§ 2073 and 2092.

⁴ The NNPA's criteria and procedures for NRC's approval of an export are codified in AEA §§ 126 and 127, 42 U.S.C. §§ 2155 and 2156.

⁵ See AEA § 109, 42 U.S.C. 2139

⁶ 49 FR 20780 "Notice of Amendment to Procedures Established Pursuant to the Nuclear Non-Proliferation Act of 1978.

Enclosure

- If the executive branch determines that a proposed export will not be inimical to the U.S. common defense and security, the NRC is authorized to issue the export license if it also finds, based on a reasonable judgment of the foreign government's assurances (communicated to the U.S. government through diplomatic channels by the government of the foreign destination) and other available information, that the criteria in AEA § 127 (or their equivalent) are met and that the export will not otherwise be inimical to the common defense and security or the public health and safety of the U.S.
- If the NRC does not agree with the executive branch's non-inimicality finding, the NRC will issue a public decision to that effect and must submit the application to the President, including the basis for the decision and any dissenting or separate views.
- The NRC's regulations governing exports and imports are found in 10 CFR Part 110. In addition to the above, these regulations specify the information required to apply for a license (§§ 110.31 and 110.32); the criteria that must be met for different types of exports and imports (§§ 110.42, 110.43 and 110.44); whether Commission-level review and executive branch review is required (§§ 110.40 and 110.41); avenues for public participation (§§ 110.80 through 110.113); and the types of enforcement actions (§§ 110.60 to 110.67) that could be taken for violations of the license terms in §§ 110.50 to 110.54.
- The level of review and the criteria that must be met are based on the commodity's proliferation significance (including end use, end user, and foreign destination) and its risks to public safety/security. Commodities judged to have the highest risks require both executive branch and Commission review and approval.
- Under 10 CFR § 110.41, the NRC asks the executive branch to provide its judgment as to whether the proposed export would be inimical to the common defense and security; confirm that the proposed export would be under the terms of an agreement for cooperation (where applicable); and address the extent to which the applicable statutory export criteria are met, and the extent to which the recipient country has adhered to the provisions of any applicable agreement for cooperation.

2. Has the NRC or the DOE approved of any export or subsequent transfer of any U.S.-origin uranium to Russia? If so, was any of the exported/transferred material produced by Uranium One?

- The NRC has issued four licenses and three license amendments authorizing exports of U.S.-origin natural uranium hexafluoride (UF₆) to Russia (ML993220214, ML003709176, ML14301A009, ML14357A596, ML15099A567, ML15238B766, ML15296A436).
- Uranium One is not identified as an export license or a party (supplier) to any license authorizing export of any U.S.-origin uranium directly to Russia. In addition, as will be described in the response to question 5, the NRC has not been consulted on any subsequent transfer to Russia of Uranium One uranium.
- Uranium One USA, Inc. (Uranium One) is not the named export licensee and is not listed as a party to the license on any of the approved licenses and amendments authorizing exports of source material to Russia.
- When uranium from a producer advances through the domestic nuclear fuel cycle, it may be processed with material from various producers, including material imported from other countries. The reporting regulations in 10 CFR § 40.64 require licensees to report transfers or receipts of material that is "foreign obligated," but there is no requirement to report either the foreign or domestic producers of the material.
- Foreign obligated material is material that has been imported into the U.S. pursuant to an Agreement for Nuclear Cooperation/123 Agreement with another country. Material sourced in the U.S. is unobligated while it remains in the domestic fuel cycle and will take on U.S.

obligations if exported. Therefore, source material recovered at a U.S. Uranium One facility and exported would be U.S.-obligated material under a 123 Agreement, as it was recovered in the U.S.

- Any uranium, from U.S. Uranium One or another domestic producer that enters the nuclear fuel cycle through one of the facilities or entities listed on the export licenses listed above would be subject to U.S obligations if exported, and exports are tracked in the Nuclear Material Management and Safeguards System (NMMSS). The individual uranium producers are not tracked for such uranium exports. Export licenses and reported transactions in the NMMSS database support that direct transfer of material from a U.S. Uranium One facility to Russia was not authorized.
- 3. For each export and subsequent transfer of natural uranium produced in the U.S. by Uranium One following the transfer of control of the company to ARMZ in 2010, please provide the date, the amount, and the form of the uranium at that time, the destination, and the reason for the export or transfer.**
- Since the transfer of control to ARMZ in 2010, Uranium One is identified in one NRC export license, XSOU8798, issued to RSB Logistic Services Inc. (RSB). The original license issued in 2004, authorizes RSB and other U.S. parties identified to export natural uranium ore concentrate to the facility at Blind River, Canada for conversion to uranium hexafluoride (UF₆). On March 16, 2012, after completing all the steps required under 10 CFR 110, including making the license application publicly available, the NRC issued amendment 02 to XSOU8798, which (1) added Uranium One as a supplier, increasing the number of other U.S. parties (domestically licensed suppliers) to the license from four to five; (2) increased the total quantity of natural uranium authorized for export by 7,500,000 kg, from 4,500,000 kg to a new cumulative total of 12,000,000 kg; (3) extended the license's expiration date from December 31, 2012, to December 31, 2017; and (4) changed RSB's contact person. On May 30, 2012, the NRC issued amendment 03 to XSOU8798, which added conversion of U₃O₈ to uranium dioxide (UO₂) and uranium trioxide (UO₃) as additional ultimate end uses.
 - Based on records in NMMSS, Uranium One reported fewer than 50 shipments of natural uranium ore concentrate from its Willow Creek site in Casper, Wyoming to Blind River, Canada between April 2012 and March 2014. The dates and quantities for each of the Uranium One shipments of natural uranium as U₃O₈ to Blind River are provided in the attached table.
- 4. Please provide specific dates, amounts, and the form of uranium for any ownership transfers from Uranium One to a purchaser.**
- U.S. uranium recovery licensees, including Uranium One, must comply with the regulatory requirements in 10 CFR § 40.51 for all physical transfers of their uranium to authorized recipients only. Once the uranium is physically transferred to a U.S. conversion facility, for example, that licensee assumes responsibility for complying with Part 40 possession requirements, including reporting requirements in 10 CFR § 40.64 and recordkeeping requirements in CFR § 40.61. Under 10 CFR § 40.61, licensees are required to retain records of the receipt, transfer, and disposal of source material. Under 10 CFR § 40.64, only transfers or receipts of foreign-obligated material (not material of U.S. origin) are required to be reported to the NRC. As stated in the response to question 2, as uranium advances through the nuclear fuel cycle, it may be processed with material from various

producers. This can include uranium produced and supplied by other countries, and it is tracked only by country of obligation, not by individual uranium recovery facilities.

- Physical transfers of source material produced from domestic mills are reported to NMMSS when exported, or received by a nuclear fuel cycle facility for enrichment, downblending, or use in mixed-oxide fuel fabrication. The export dates, amounts, and forms of uranium are provided in the NRC's response to question 3 and in the attached table.

5. Please provide the current location, amount, and form of all U.S.-origin uranium exported by Uranium One and/or subsequently transferred between foreign countries since the transfer of control of Uranium One to ARMZ in 2010.

- As described in response to question 3 above, from 2012 through 2017, Uranium One reported fewer than 50 shipments of natural uranium ore concentrates from its Willow Creek site in Casper, Wyoming to Blind River, Canada under authority of RSB's export license XSOU8798. The dates and quantities for each of the reported shipments of natural uranium as U3O8 to Blind River are provided in the attached report.
- Retransfer by the Canadian government of material exported from the U.S. to Canada requires prior DOE/NNSA approval under the AEA, with the consent of the Department of State and in consultation with the NRC and Departments of Commerce and Defense. The NRC has not been consulted by DOE/NNSA regarding any proposed U.S. approval to retransfer Uranium One material exported under XSOU8798 to another country.

Questions to NRC Only

1. Please list and briefly describe all NRC processes and procedures that Uranium One could use to export uranium.

All processes and procedures that Uranium One could use to export uranium from the United States to a foreign destination are set forth in 10 CFR Part 110 – Export and Import of Nuclear Equipment and Material. To the extent that a specific NRC export license is required,⁷ U.S. uranium recovery facilities such as Uranium One (and any other U.S. nuclear materials or equipment supplier) can either obtain an NRC export license on their own, in which case the license would be issued in their name, or they can be party to the license (identified by name in the license as “other U.S. party”) by utilizing the services of a broker like RSB, or even another domestic licensee (e.g., another U.S. uranium recovery facility), in which case the license would be issued in the broker's name. All applicants must complete an NRC Form 7 export license application in accordance with 10 CFR §110.31 and §110.32 and submit it to the NRC's Office of International Programs (OIP) Deputy Director with the appropriate processing fee. Every Form 7 application received is reviewed by OIP licensing staff for completeness and to determine what type of export is proposed, what level of review is required, and whether it presents any unique or sensitive issues.

If the export license applicant is a broker like RSB and not a domestically licensed possessor of the material it proposes to export, it must identify the domestically licensed possessors of the material to be exported as other U.S. parties to the export transaction. These other identified parties to the license are authorized to perform the services associated with supplying the material and transferring it prior to export. NRC export licenses authorize only the export of the

⁷ If not covered by the general license in 10 CFR § 110.22 for the export of small quantities of source material, a specific NRC export license is required.

nuclear material specified. All domestic activities associated with the export, such as receipt, possession, delivering, and transport of nuclear material, are governed by domestic regulations.

Upon completion of the initial review, all specific export license applications are assigned unique export license and docket numbers and are posted on the NRC's public website. The public is provided a minimum of 30 days to submit written comments or file a request for a hearing or a petition to intervene. At the same time, all specific license applications for exports of source material are forwarded to executive branch agencies for review and to request foreign government assurances or for information depending on the proposed export transaction. As it did for the amendment to add Uranium One to RSB's export license, the NRC asks the executive branch (either Department of Energy or the Department of State) to obtain the required assurances from the foreign destination's government. For more sensitive exports, the NRC requests an executive branch review and judgment in accordance with 10 CFR §110.41.

In summary, the NRC's regulations in 10 CFR Part 110 specify the information required to apply for a license (§§ 110.31 and 110.32); the criteria that must be met for different types of exports and imports (§§110.42, 110.43 and 110.44); whether Commission-level review and executive branch review is required (§§ 110.40 and 110.41); means for public participation (§§ 110.80 through 110.113); and the types of enforcement actions (§§ 110.60 to 110.67) that could be taken for violations of the license terms in §§ 110.50 to 110.54 and violations involving failure to provide complete and accurate information or otherwise engaging in deliberate misconduct in §§ 110.7a and 110.7b. The level of review and the criteria that must be met are based on the commodity's proliferation significance and its risks to public safety/security (with respect to various factors including end use, end user, and foreign destination). Commodities judged to have the highest risks require both executive branch and Commission review and approval.

NRC's web page provides a number of references that detail the export process that is available to Uranium One. See the references below:

- 10 CFR Part 110 located at <https://www.nrc.gov/reading-rm/doc-collections/cfr/part110/>
- Frequently Asked Questions and Answers in Export and Import Licensing located at <https://www.nrc.gov/about-nrc/ip/export-import.html>
- NRC Form 7 - Application for NRC Export or Import License, Amendment, Renewal, or Consent Request(s) located at <https://www.nrc.gov/reading-rm/doc-collections/forms/nrc7info.html>
- 49 FR 20780 dated May 16, 1984 "Amendment to Procedures established Pursuant to the Nuclear Non-Proliferation Act of 1978."

2. Please provide copies of all NRC-issued export licenses that Uranium One holds or is a party to.

Uranium One has not been issued its own specific NRC export license. Uranium One is listed as a party to one export license, XSOU8798, as one of the seven domestically licensed uranium recovery facilities authorized to supply the material. This license has been amended six times and amendment 07 is currently under review. Copies of all relevant NRC-issued export licenses and the currently pending amendment request are provided separately.

3. RSB Logistics Services, Inc., is currently authorized to export uranium (U₃O₈) to Canada for conversion to UF₆ and return to the U.S. for future processing. How does

the NRC ensure RSB's compliance with export license regarding return to the U.S. if DOE has authority to permit subsequent transfers to foreign countries?

Note: As indicated in response to question 3 for NRC and DOE, the referenced export license was amended in May 2012 to add conversion of U3O8 to uranium dioxide (UO2) and uranium trioxide (UO3). In July 2016, the license was amended to change the licensee's name to RSB Logistic Inc. (RSB).

RSB's export license contemplates that the converted material will either be returned to the U.S. or retransferred to another country. The license explicitly provides that any retransfer requires prior U.S. approval before the material is re-transferred.

4. Please describe the NRC's roles and responsibilities with regard to the subsequent transfer of U.S.-origin uranium between foreign countries.

Retransfer of U.S.-origin material from one foreign destination to another is treated as a "subsequent arrangement" under Section 131 of the AEA. The Secretary of Energy was granted the responsibility under AEA §131 for authorizing proposed retransfers (and other subsequent arrangements) of U.S.-origin material, consistent with the U.S.'s § 123 agreements for cooperation with the foreign destinations. DOE is required to obtain the concurrence of the Secretary of State for a proposed retransfer (or other subsequent arrangement) and to consult with the NRC and the Department of Defense prior to authorizing a retransfer (or other subsequent arrangement).

It has been the practice of DOE/NNSA to send a letter to the NRC's Office of International Programs (OIP) providing background on the proposed subsequent arrangement and formal notice of its plans to publish a draft *Federal Register* notice prepared to grant prior approval of the subsequent arrangement involving the retransfer of U.S.-obligated material to a third country. OIP is responsible for coordinating NRC staff reviews of each proposed subsequent arrangement by forwarding the request to the Offices of Nuclear Material Management and Safeguards, Nuclear Security and Incident Response, and the General Counsel.

OIP staff review the incoming request to assess whether it raises a significant policy issue such that Commission review and approval of the NRC staff's proposed response would be required in accordance with 10 CFR §110.40(b). The NRC's consultative review of a DOE/NNSA proposed subsequent arrangement is normally completed within 30 days. If OIP's review concludes that there are no significant policy issues, and the NRC technical and legal staff raises no objection, the NRC prepares a letter indicating that the agency has reviewed and does not object to the proposed subsequent arrangement. The OIP Deputy Director signs the letter responding to DOE/NNSA with the results of its review.

**5. a. Please describe the process for determining whether the export of U.S.-origin natural uranium is inimical to the common defense and security of the U.S.
b. If the consideration of inimicality is different for commercial enriched uranium, please explain the similarities and differences in each process. Under what circumstances does the NRC consult with defense and intelligence agencies in making an inimicality finding?**

a. The processes and criteria used by the NRC to determine that issuing an export license will not be inimical to the U.S. common defense and security are set forth in the law and regulations. Specifically, for exports of source material, the NRC must consider various factors and

determine whether the assurances provided by recipient country governments satisfy the following AEA §§ 127 and 128 criteria:

- IAEA safeguards will be applied for proposed exports to a non-nuclear weapon state and will be maintained with respect to all peaceful nuclear activities in, under the jurisdiction of, or carried out under the control of such state at the time of the export;
- The proposed export will not be used for any nuclear explosive device or research/development related to such a device;
- Adequate physical security will be applied to the proposed export and maintained for any material produced through the use of the proposed export;
- Neither the proposed export nor any material produced through the use of the proposed export will be retransferred to a third country without prior U.S. approval;
- Neither the proposed export nor any material produced through the use of the proposed export will be reprocessed or altered in form without prior U.S. approval.

Under the AEA, the NRC cannot issue an export license for nuclear materials until the Department of State informs the NRC of the executive branch's judgment that a proposed export will not be inimical to the U.S. common defense and security. Under the interagency procedures promulgated May 16, 1984 (*49 FR 20780*) "Amendment to Procedures Established Pursuant to the Nuclear Non-Proliferation Act of 1978," when NRC forwards an export license application to the Department of State requesting the executive branch's judgment, the Department of State is to advise the NRC promptly if an application raises issues which will require more extensive consideration. Such cases are to be referred to the Interagency Subgroup on Nuclear Export Coordination (SNEC), which serves as forum for interested executive branch agencies (Departments of State, Commerce, Defense and Energy) and the NRC to exchange information and resolve issues.

If the executive branch notifies the NRC that it has determined that a proposed export will not be inimical to the U.S. common defense and security, the NRC is authorized to issue the export license if it also finds, based on a reasonable judgment of the foreign government's assurances (communicated to the U.S. government through diplomatic channels by the government of the foreign destination) and other available information that the criteria in AEA § 127 (or their equivalent) are met and that the export will not otherwise be inimical to the common defense and security or the public health and safety of the U.S.

The NRC is required to give timely consideration to export license requests. If the NRC has not acted on the application within 60 days after receipt of executive branch views, the NRC staff must write to the applicant explaining the delay. If the Commission does not act within an additional 60 days, the President can find the delay to be excessive and authorize the export by Executive Order, unless Congress objects.

If the executive branch recommends approval and the Commission is unable to make the necessary determinations, the Commission is required to issue that decision publicly (including the basis and any separate views) and refer the application to the President. In any case, under the AEA, the Commission must issue the license in a timely fashion or promptly and publicly refer the matter to the President. The President may authorize the export despite the Commission's unfavorable findings unless the Congress objects.

The aforementioned interagency export licensing review procedures (*49 FR 20780*) provide that pursuant to the authority in AEA §§ 126 (a) (1) & (2), certain export applications would not

require case-specific executive branch review. Such exports still require obtaining case-by-case assurances from the foreign government through diplomatic channels. The amendment application for XSOU8798 to add Uranium One as a supplier fell into this category, as Canada is in compliance with all relevant international instruments and is a well-regarded U.S. trading partner that actively participates in global efforts to prevent the proliferation of nuclear weapons.

Once a source material export shipment arrives at its foreign destination, it becomes subject to the recipient's country's safety and security oversight. The material is also subject to the assurances provided pursuant to the recipient country's AEA § 123 agreement with the U.S. and communications are maintained between the U.S. and the destination country in accordance with the administrative arrangements to that agreement.

The Commission has the authority to revoke, suspend or modify export licenses for a condition that would have warranted denial of the original application or for a violation of a rule, regulation, license, or order promulgated under the AEA. This type of action could be taken if the NRC were notified to do so by the Department of State, or by NRC on its own if an applicant or licensee is found to have engaged in deliberate misconduct or failed to comply with an NRC rule, regulation, license or order.

b. For exports of commercial enriched uranium, the factors considered and criteria that must be met to determine that a proposed export will not be inimical to U.S. common defense and security are the same as those described above. In particular, the NRC staff conducts rigorous reviews of nuclear material export license applications to determine whether the physical protection measures afforded U.S.-obligated nuclear materials at the associated foreign facilities satisfy the 10 CFR § 110.44 export licensing criteria for physical protection. Under these regulations, physical protection measures in recipient countries must provide protection at least comparable to the recommendations in the current version of the IAEA publication, "Nuclear Security Recommendations on Physical Protection of Nuclear Material and Nuclear Facilities," (INFCIRC/225/Revision 5). The NRC staff determinations on the adequacy of physical security measures are based on information obtained through country visits, information exchanges, or other sources. The physical protection review process is risk-informed and considerably more rigorous for proposed exports of proliferation-sensitive special nuclear materials, such as high-enriched uranium and plutonium. The relative risk significance ascribed to the different forms and quantities of special nuclear material is shown in Appendix M to 10 CFR 110.

For transfers of special nuclear material, the NRC reports to the IAEA and the recipient countries also report receipt. From that point, the special nuclear material exported from the U.S. to a non-nuclear weapons state becomes subject to IAEA safeguards. These safeguards provide independent verification of non-diversion through the separate procedures implemented by the IAEA for monitoring material accountancy and control.

The NRC has an intelligence branch whose mission is to conduct liaison with the Intelligence Community on intelligence and threat-related matters. This branch conducts intelligence assessments in support of various NRC review and decision-making processes, including export licensing. This branch consults with the Intelligence Community and seeks additional input and/or clarification to inform its physical protection determinations.

6. Please describe the extent of the NRC's interaction with the CFIUS Committee in its decision to allow the ARMZ purchase of Uranium One's U.S. assets. Please include any consideration of the CFIUS decision in the NRC's decision to allow a transfer of control of Uranium One's U.S. assets to ARMZ.

The NRC's licensing review and the CFIUS Committee review were conducted independently using different criteria based upon different statutory provisions. However, on September 30, 2010, there was a meeting between NRC and CFIUS staff to discuss the license transfer application to the NRC, NRC staff's review, and the CFIUS review process. Further, while CFIUS approval is not part of the NRC's review process, the NRC staff was informed by the applicant on October 25, 2010, that the CFIUS review had been completed (and this fact was informally confirmed by the CFIUS staff on November 18, 2010), before the NRC approved the license transfer on November 23, 2010.

7. a. What actions would NRC normally take after learning of an FBI investigation involving a licensee's parent company?

b. Under what circumstances would the NRC engage in increased oversight?

a. The NRC would further assess the nature of the investigation and determine the extent to which there could be any concerns related to common defense and security or public health and safety within our regulatory purview.

b. In the event that the NRC learns of an apparent violation of its regulations, it would evaluate that information and take action, as appropriate, such as increasing inspection frequency or initiating a formal investigation. Through its enforcement program, the agency has the authority to issue sanctions, including an immediately effective Order revoking a license or imposing a civil monetary penalty.

8. According to an article in *The Hill* dated October 17, 2017, "The Russians were compromising American contractors in the nuclear industry with kickbacks and extortion threats, all of which raised legitimate national security concerns. And none of that got aired before the Obama Administration made those decisions [about the sale of Uranium One and Rosatom's sale of commercial uranium in the U.S.]" When was the NRC first made aware of the FBI's ongoing investigation? Who informed the NRC and what information was conveyed?

The NRC first became aware of the investigation in August 2010, when it received a sensitive intelligence report made available to various components of the Federal Government through normal intelligence reporting channels.

9. In its Safety Evaluation Report recommending approval of the transfer of control of Uranium One to ARMZ, the NRC staff notes "the parties to the proposed transactions have committed to abide by all applicable laws."

a. Was the NRC aware that another Rosatom subsidiary was under investigation by the FBI for bribery, kickbacks, extortion and money laundering?

b. If so, what was the basis for accepting Rosatom's commitment to abide by U.S. law with regard to the Uranium One transaction?

c. If the NRC was not aware of the investigation when it approved the transaction, would such knowledge have altered the NRC's decision?

a. The NRC first became aware of an FBI investigation into an executive of a Rosatom subsidiary in August 2010. However, the NRC was not aware of any connections between this investigation and either ARMZ or the Uranium One acquisition.

b. As noted above the NRC was not aware of any connections between this investigation and either ARMZ or the Uranium One acquisition. Furthermore, in the NRC's Request for Additional Information (RAI) regarding the indirect license transfer, dated October 6, 2010, (ML102510494) the NRC staff requested that Uranium One "Confirm that ARMZ and Rosatom commit to abide by Uranium One Inc.'s commitments. (10 CFR 40.36)". In its response to this RAI, dated October 18, 2010 ([ML102940435](#)), Uranium One Inc., stated:

Uranium One Inc. is authorized to confirm that (a) ARMZ and Rosatom commit to abide by Uranium One Inc.'s commitments with respect to Materials License SUA-1341 and Materials License SUA-1596, and (b) neither ARMZ nor Rosatom will cause Uranium One Inc., Uranium One USA Inc., or Uranium One Americas Inc. to fail to abide by the terms of Materials License SUA-1341 and Materials License SUA-1596, or otherwise fail to abide by U.S. law in any respect.

In an e-mail response dated October 27, 2010 (ML103070147), Uranium One, Inc. provided additional assurance in a letter from Vadim Jivov, General Director, Atomredmetzoloto Uranium Holding Co., confirming the commitments of ARMZ and Rosatom to abide by NRC material licenses SUA-1341 and SUA-1596, and U.S. law. Given the lack of connection between the FBI investigation and ARMZ, the NRC had no reason to question these commitments.

c. The NRC had knowledge of the investigation in August 2010. As noted above, the NRC was not aware of any connection between the investigation and the transfer of control of Uranium One to ARMZ.

- 10. a. Was the NRC aware of the FBI's investigation before the agency's decision to approve an amendment to RSB Logistic Services' export license adding Uranium One as a supplier?**
b. If so, what consideration was given to that fact in reaching a decision to allow exports by Uranium One by means of the RSB Logistics export license? (OIP/NSIR)

a. As noted in the answer to Question 8, the NRC first became aware of an FBI investigation into an executive of a Rosatom subsidiary in August 2010. The NRC approved the amendment to RSB's export license March 2012. However, the NRC was not aware of any connections between this investigation and the decision to add Uranium One as a supplier under RSB's export license.

b. As noted above, the NRC was not aware of any connections between this investigation and the decision to add Uranium One as a supplier under RSB's export license. The NRC adhered to all licensing requirements, procedures and processes to issue export license XSOU8798/02 consistent with AEA requirements and established interagency review procedures.

- 11. Was the NRC aware of the FBI's investigation during the agency's review of the subsequent 2013 sale of the remaining interest in Uranium One to ARMZ? If so, what consideration was given to that fact in reaching the decision to allow the transfer of control to ARMZ?**

As noted in the answer to Question 8, the NRC first became aware of an FBI investigation into an executive of a Rosatom subsidiary in August 2010. The subsequent 2013 sale of the remaining interest in Uranium One to ARMZ did not require NRC approval since ARMZ had already acquired a 51% controlling interest in 2010.

12. Was the NRC aware of the FBI's investigation when the Commission recommended that President Obama resubmit the proposed U.S.-Russia 123 agreement to the Congress for review? If so, what consideration was given to that fact in making the decision to recommend the President resubmit the proposed 123 Agreement to Congress? (OIP/SECY/NSIR)

The NRC was not aware of any FBI investigation when, in April 2010, the Commission recommended that President Obama resubmit the proposed U.S.-Russia 123 Agreement to the Congress for review.