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United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS
SUBCOMMITTEE ON ENERGY, NUCLEAR
PROLIFERATION AND GOVERNMENT PROCESSES
WASHINGTON, D.C. 20510

January 13, 1982

The Honorable Nunzio J. Palladino
Chairman
United States Nuclear Regulatory
Commission
Washington, D.C. 20555

Dear Mr. Chairman:

According to press reports and information obtained by my staff from Administration sources, the U.S.-based Edlow International company appears to have materially assisted the South African Electric Supply Commission (Escom) in obtaining enriched uranium fuel for the Koeberg reactors from Swiss and Belgian suppliers. As you are aware, South Africa's obtaining of this material from non-U.S. suppliers has deprived the United States of its principal bargaining tool in its five-year effort to gain South African ratification of the Non-Proliferation Treaty and constitutes a grievous setback in achieving this important U.S. foreign policy objective. That a U.S. firm may have contributed substantially to defeating the non-proliferation policies -- and to the circumvention of the non-proliferation laws -- of its own government is deeply disturbing, particularly when the firm said to be involved is the beneficiary of numerous government-granted licenses covering the shipment and export of nuclear materials.

With these concerns in mind, I would like to have your replies to the following questions:

1. What is the understanding of the Commission as to how Escom obtained fuel for the first core of the Koeberg reactor? What role, if any, did the firm Edlow International (or other firms acting as agents for Edlow International) play in this transaction?

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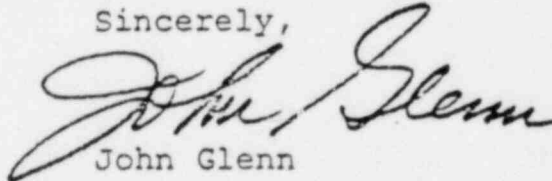
The Honorable Nunzio J. Palladino
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2. Do any actions taken by Edlow International with regard to this transaction constitute a violation of U.S. law? What is the basis for this determination? Specifically, do any actions by Edlow International constitute a violation of Part 70 or Part 110 of the Commission's regulations?
3. Has the Commission initiated any disciplinary action or taken any other measure to indicate its disapproval of any participation by Edlow International in this transaction? If so, please provide specifics. Has the Commission communicated with Edlow International with regard to this matter? If so, please provide specifics.
4. Please provide a list of Commission licenses (both domestic and export) currently held by Edlow International.

Thank you for your cooperation in this matter.

Best regards.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Glenn".

John Glenn

JG/lsp

LIST OF NRC LICENSES

HELD BY

EDLOW INTERNATIONAL CO.

(E.I.C.)

Prepared By: R.NEAL MOORE
1/28/82
Office of International
Programs

<u>LICENSE NO. (AMEND)</u>	<u>QUANTITY</u>	<u>MATERIAL</u>	<u>COUNTRY</u>	<u>END USE</u>	<u>ISSUE DATE</u>	<u>EXPIRATION DATE</u>
<u>EXPORTS</u>						
<u>BY PRODUCT</u>						
XB001005 (01)	60,000 Curies	TRITIUM	UK	Radiochemical-Light Sources	02/02/81	02/01/83
XB001016 (01)	800,000 Curies	TRITIUM	SWITZERLAND	Merz Bentelli-Light Sources	05/09/80	05/01/83
XB001065 (01)	750,000 Curies	TRITIUM	UK	Prod. of Light Sources by Brandhurst	08/06/81	09/01/85
XB001091 (04)	40 Milligrams	CF-252	UK	To Radiochemical Center for Mfg. of CF 252 Sources	03/02/81	12/31/83
XB001097	10,100 Curies	TRITIUM	CANADA	To Test Storage Capability At Chalk River	07/15/80	07/01/82
XB001109	50,000 Curies	TRITIUM	UK	Radiochemical-Light Sources	06/03/81	06/01/82
XB001110	100,000 Curies	TRITIUM	UK	Radiochemical-Light Sources	12/29/80	01/01/83

LICENSE NO. (AMEND)	QUANTITY			COUNTRY	END USE	ISSUE DATE	EXPIRATION DATE
	KGS	%	ISOTOPE				
<u>SPECIAL NUCLEAR MATERIAL</u>							
XSNM00891 (03)	99,860.0	3.55	2,846.0	SWEDEN	Reload for Oskarshamn II	12/31/80	01/01/84
XSNM00912 (01)	136,400.0	3.55	3,600.0	SWEDEN	Reload for Ringhals IV	09/05/79	01/01/83
XSNM00916 (04)	124,400.0	3.55	3,480.0	SWEDEN	Reload for Ringhals I	11/16/81	01/01/84
XSNM01311 (01)	89,800.0	3.55	2,739.0	SWEDEN	Reload for Barseback II	09/05/79	01/01/83
XSNM01314	52,688.0	3.55	1,501.0	SWEDEN	Reload for Oskarshamn I	08/31/78	01/01/83
XSNM01403 (01)	61,750.0	3.55	2,190.0	SWEDEN	Reload for Forsmark I	09/05/79	01/01/84
XSNM01532	44,870.0	3.55	1,481.0	SWEDEN	Reload for Oskarshamn II	09/06/79	01/30/83
XSNM01536	26.0	93.5	24.31	FRANCE	Reload for HFR, Grenoble	06/02/81	06/01/82
XSNM01572	142,900.0	3.55	3,260.0	SWEDEN	Initial Core, Forsmark III	08/22/80	01/31/84
XSNM01586	3.61	19.9	0.73	ARGENTINA	Fab. of Experimental Fuel For RA-3	02/22/80	01/01/81
	.802	45.4	0.36			NOTE: License Action Still Pending For 7.35 KGS Depleted U. License remains in effect until Pending request is disposed of.	
	3.15	Depleted U					
	7.35	Depleted U					
XSNM01714	17.63	10.0	1.763	TAIWAN	Testing of LWR Fuel	10/27/80	11/01/82
						NOTE: E.I.C. Advised NRC License Completed:	
XSNM 01742	2.0		.02 Grams	JAPAN	Analytical Spectrometric Standards	10/16/80	11/01/82
						NOTE: E.I.C. Advised NRC License Completed.	
XSNM01752	54,000.0	4.05	2,187.0	SWEDEN	Reload for Forsmark II	12/15/80	04/01/82
XSNM01760	8,558.0	3.15	270.0	JAPAN	Reload for Genkai I	02/25/81	03/01/82
						NOTE: E.I.C. advised NRC License Completed	

<u>REFERENCE NO.</u> (XSNM)	<u>QUANTITY</u>			<u>COUNTRY</u>	<u>END USE</u>	<u>ISSUE DATE</u>	<u>EXPIRATION DATE</u>
	KGS	%	ISOTOPE				
<u>SPECIAL NUCLEAR MATERIAL</u>							
XSNM01764	26.0	93.5	24.31	FRANCE	Reload for HFR Grenoble	06/02/81	06/01/82
XSNM01835	10,834.0	2.85	309.0	JAPAN	Reload for Takahama II	08/05/81	08/01/83
XSNM01836	12,060.0	2.65	320.0	JAPAN	Reload for Mihama II	08/06/81	08/01/83
XSNM01845	13,056.0	2.85	373.0	JAPAN	Reload for Takahama II	08/25/81	09/01/82
XSNM01846	510.0	3.25	17.0	JAPAN	Reload fuel for OHI II	09/15/81	10/01/82
XSNM01847	7,211.0	3.25	235.0	JAPAN	Reload fuel for OHI II	09/17/81	10/01/82
XSNM01884	7.0	97.7	2.69 Grams U	KOREA	Mass Spec. Analyses	12/18/81	01/01/83
	50.0	99.9	50.0 Mgms Pu-242				
	50.0	80.0	50.0 Mgms-Pu-238				
	100.0	99.5	100.0 Mgms-U-233				
XSNM01890 (01)	0.740	>80.0	0.740 Ugm Pu-242	JAPAN	Analysis for Trace Elements	12/16/81	01/01/83
XSNM01886	102,000.0	4.05	4131.0	SWEDEN	Reloads For Oskarshamn II	01/18/82	01/01/88
XSNM01887	84,000.0	4.05	3402.0	SWEDEN	Reloads For Barsebaeck I	1/18/82	01/01/87
<u>SOURCE MATERIAL</u>							
XU08427 (01)	248,000.0	Normal U. -		SWITZERLAND	Enrich in France-Fabricate in U.S.-	06/23/81	03/10/90
* (NOTE: As of 3/1/82, no material had been shipped nor any planned under this license)							
XU08451 (01)	129,243.0	Normal U. -		GERMANY	Use in Kaiseraugst Convert in U.K. enrich in U.S.-Use in STADE	11/10/80	07/01/84
XU08460 (01)	5,000,000.0	Normal U. -		U.K.	Conversion in U.K.; Enrich in U.S.	02/01/80	01/01/84
XU08488	192,326.0	Normal U. -		GERMANY	Convert in U.K; Enrich in U.S.- Use in EMSLAND reactor in Germany	05/19/80	12/31/82
XU08508	117,319.0	Normal U. -		GERMANY	Enrich in Euratom-For GROHNDE	11/17/80	11/01/82
XU08517	118,000	Depleted U. -		U.K	Penetrators-Ministry of Defence	05/07/81	05/01/85
XU08520	10,176	Normal U. -		KOREA	Test UO ₂ Facility	07/17/81	07/01/83

LICENSE NO. (AMEND)	QUANTITY			COUNTRY	END USE	ISSUE DATE	EXPIRATION DATE
	KGS	%	ISOTOPE				
<u>SOURCE MATERIAL (Cont.)</u>							
XU08523	152,000	Depleted U	-	U.K.	Penetrators -Ministry of Defence	06/23/81	07/01/84
XU08525	961,632	Normal U.	-	EURATOM	Enrichment for EURATOM Reactors	11/03/81	12/31/86

IMPORT-SPECIAL NUCLEAR MATERIAL

ISNM78019	Unlimited-Depleted U. Unlimited-Thorium			From Any Country	For Commercial Use	11/24/78	12/31/83
ISNM79007 (2)	115.0	Various	98.0	From JAPAN	Spent Research Fuel For Reprocessing By DOE	10/06/81	01/01/85
ISNM81014	1850.0	2.60	48.1	From JAPAN	U308 for Conversion to UO2 by Westinghouse	08/05/81	09/01/82
ISNM1651 (3)	64.8 306.0	75.15 -	48.6 KGS-U - Grams-Pu	From SWEDEN	Spent Research Fuel For Reprocessing by DOE	08/05/81	07/31/85

SOURCE MATERIAL POSSESSION LICENSES

SUC 1287 Issued to Edlow International Co., as agent for British Nuclear Fuel, Limited. NOTE: The Company submitted an application to renew this license October 29, 1981. The application was approved 02/04/82 to expire 02/28/87.					Storage of 2,750,000 pounds UF ₆ , 450,000 pounds U ₃ O ₈ Uranium ore concentrate at Norfolk Warehouse Company Facility, 6969 Tidewater Drive, Norfolk, Virginia	11/18/76	11/03/81
SMC 1377				(4)	Authorizes 1,643,400 kilograms of UF ₆ and 962,300 kilograms of U ₃ O ₈ for storage prior to delivery, 3131 St. Clair Avenue, East St. Louis, Illinois.	2/14/80	2/28/85

<u>PEND. APPL.</u>		<u>MATERIALS</u>		<u>COUNTRY</u>	<u>END USE</u>	<u>NOTES</u>
<u>NO.</u>	<u>(AMEND)</u>	<u>KGS</u>	<u>%</u>	<u>ISOTOPE</u>		
<u>SPECIAL NUCLEAR</u>						
XSNM01403	(02)	1,250.0	4.05	361.5	SWEDEN	Additional Material For FORSMARK I
XSNM01498		12.03	90.4	10.875	ARGENTINA	Fuel For RA-3
XSNM01587		50.125	19.9	10.17	ARGENTINA	Fuel For RA-6
XSNM01588		31.446	19.9	6.384	PERU	Fuel Critical Facility-RP-0
XSNM01740		19,858.8	2.71	487.3	INDIA	Reload For TARAPUR
XSNM01752	(01)	34,135.	4.05	1492.0	SWEDEN	Additional Fuel For FORSMARK II
XSNM01872		19,858.8	2.71	487.3	INDIA	Reload For TARAPUR
XSNM01888		96,000	4.05	3888.0	SWEDEN	Reloads For BARSEBAECK II
XSNM01897		7,136.0	3.15	225.0	JAPAN	Reload For GENKAI I
XSNM01586	(01)	7.35	DEPLETED U.	--	ARGENTINA	Additional D.U. For FAB of EXPER. FUELS
<u>SOURCE MATERIAL</u>						
XU08459		48,000	NORMAL U.	-	BRAZIL	Replace Domestic Exports By CNEN
<u>BYPRODUCT</u>						
XB001091		.15	UgmCF-252	-	U.K.	Radiochemical-FAB. Sources For GEO. Survey