



PDR

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

December 16, 1992

The Honorable George Miller
Chairman, Committee on Interior
and Insular Affairs
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am providing an interim response to your November 23, 1992 letter on the subject of Transnuclear Incorporated's application for a license to export irradiated fuel from the Shoreham nuclear power plant in New York to Cogema in France. Because the Executive Branch has not yet decided how to respond to Transnuclear's application (see enclosed letter from the Department of Defense to the Department of State, dated December 8, 1992), we are not in a position to consider the application or your request for a hearing. When we are informed of the Executive Branch's position, we will let you know and at that time, formally respond to your request that a hearing be held on the application.

Sincerely,

Ivan Selin

Enclosure:

Ltr to R.J.K. Stratford, DOS,
fm H.D. Sokolski, DOD, dtd
December 8, 1992

cc: Representative Don Young

290004

9212310209 921216
PDR COMMS NRCC
CORRESPONDENCE PDR

D02



INTERNATIONAL
SECURITY AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2400

December 8, 1992

Mr. Richard J. K. Stratford
Deputy Assistant Secretary
Nuclear Energy & Energy Technology Affairs
Department of State
Washington, D.C. 20520

Dear Mr. Stratford:

Your letter of October 26, 1992, responds to Mr. Harold R. Denton's request of August 5, 1992 for the views of the Executive Branch concerning NRC No. XSNM02702, an application by Transnuclear, Inc. for authorization to export 560 irradiated nuclear power reactor fuel assemblies from the Shoreham Nuclear Power Station Unit 1 to Cogema, France for reprocessing. Because of an administrative misunderstanding, the Department of Defense was noted as having concurred in your proposed letter when, in fact, it did not. This letter provides the Defense Department's views which differ substantially with those in your letter to the NRC.

If granted, this license would result in the separation of plutonium from a U.S.-licensed reactor at a time when worldwide trends are strongly away from reprocessing and a growing inventory of separated plutonium from both military and civil sources are increasing proliferation concerns. Although the amount of plutonium involved is small, this case will set a precedent that could encourage other U.S. utilities to seek similar approvals, giving rise to potentially far more significant quantities of separated plutonium.

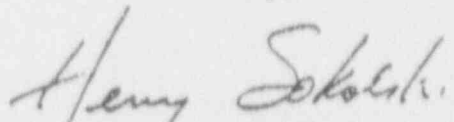
Of even greater concern to the Department of Defense however, is the unfortunate and extremely damaging signal this approval would send to other countries. The United States would be declaring that the proliferation risks posed by reprocessing and separated plutonium under international safeguards are acceptably low. In the Defense Department's view, they are not.

Indeed, it is the policy of the United States that the proliferation risks from both reprocessing and enrichment on the Korean Peninsula are unacceptable. To prevent these risks, the United States gained bilateral agreement that these technologies would not be pursued even under IAEA Safeguards. For the Executive Branch to now endorse reprocessing as an acceptable means to deal with spent fuel could seriously undermine our no-reprocessing policy on the Korean Peninsula. It would also have a deleterious effect on achieving our national security objectives by making it more difficult for the United States to oppose reprocessing in other regions of proliferation concern where similar restraint would be desirable.

Finally, approval of this application would foreclose more economic and proliferation resistant storage options which are available for the disposition of spent reactor fuel.

For the reasons set forth above, the Department of Defense believes granting this export license would be "inimical to the common defense and security of the United States."

Sincerely,



Henry D. Sokolski
Deputy for Non-Proliferation Policy

CC: T. Hart, DOE
R. DeLaBarre, DOS
M. Rosenthal, ACDA
S. Dhir, DOC
D. Poneman, NSC
H. Denton, NRC