



DEC 24 1996 14:30 PM PITTSBURGH
MITSUBISHI INTERNATIONAL CORP.
PITTSBURGH OFFICE
ONE OXFORD CENTER, SUITE 4400 - 301 GRANT STREET
PITTSBURGH, PENNSYLVANIA 15219-6401

RDH
FAX TRANSMISSION

DATE: DECEMBER 4, 1996

NUCLEAR REGULATORY COMMISSION

TO:

FAX NO: 301-415-2395

ATTN: MS. BETTY L. WRIGHT
EXPORT/IMPORT LICENSING OFFICER
OFFICE OF INTERNATIONAL PROGRAMS

TOTAL PAGES INCLUDING

COVER PAGE: 1

FROM: MITSUBISHI INTERNATIONAL CORP. - Pittsburgh Office

FAX NO: (412) 355-0164 PHONE: (412) 355-0620

CONTACT: AMY ZASTAWNIAK

SUBJECT: RETRANSFER OF U.S. (IE, WESTINGHOUSE) ZIRCONIUM MATERIAL
FROM JAPAN TO ENGLAND AND/OR FRANCE

DEAR MS. WRIGHT:

IN ADDITION TO OUR QUESTIONS FAX TO YOU ON DECEMBER 3, 1996, WE
WOULD LIKE TO ADD THE FOLLOWING QUESTIONS.

1. ACCORDING TO YOUR VERBAL CHECKING WITH NRC, WE UNDERSTAND THAT IT IS
POSSIBLE TO RETRANSFER OF USA ORIGINAL ZIRCONIUM METAL. (IN THIS
CASE WE UNDERSTAND YOU ADVISED ABOUT TREX ONLY) HOWEVER, AS WE
SUGGESTED IN QUESTION -4- OF OUR FAX YESTERDAY, 10 CFR 110.42
(SMALL B) (3) STATES THAT ZIRCONIUM TUBE WHICH IS STIPULATED BY (6)
OF APPENDIX A TO PART OF 110 IS REQUIRED PRIOR CONSENT OF U.S. IN
CASE OF TRANSFER

AND AS TO RETRANSFER STIPULATED IN 110.6, REQUEST FOR AUTHORITY TO
RETRANSFER ARE PROCEEDED BY DOE, OFFICE OF ARMS CONTROL AND
NONPROLIFERATION TECHNOLOGY SUPPORT. SO WE WISH YOU TO CHECK
LINKAGE OF BOTH 110.6 AND 110.42 WITH DOE AND NRC FOR SAFETY SAKE.

2. YOU ADVISED US THAT YOU WILL NEED TO KNOW FROM US EXACT QTTY OF
WHAT USA ZIRCONIUM METAL WILL BE RETRANSFERRED TO WHAT COUNTRY.
PLEASE ADVISE US BY WHICH ARTICLE OF REGULATION (10 CFR 110?) IT IS
REGULATED. MAY WE UNDERSTAND THAT YOU NEED TO ADD SUCH RETRANSFER
INFORMATION IN YEARLY REPORT TO NRC IN THE FUTURE INSTEAD CURRENT
YEARLY REPORT WHICH REPORTS ONLY ABOUT EXPORT ITEMS FROM U.S. TO
JAPAN? AND DOES IT ALSO MEAN THAT FINAL TUBES WHICH ARE STIPULATED
IN OUR FAX YESTERDAY ARE NOT RECOGNIZED AS JAPANESE ORIGIN SO THAT YOU
NEED TO OBTAIN PRIOR CONSENT OF U.S. COMPETENT AUTHORITY?
3. FOR SAFETY SAKE, PLEASE CHECK AND ADVISE US OF APPLICABLE PART OF DOC
GENERAL LICENSE WHICH REGULATE EXPORT/RETRANSFER OF ZRY-4 BAR.
AND PLEASE KINDLY SEND THE PART TO US AS SOON AS POSSIBLE.
MANY THANKS.

PAGE 1 OF 1

1

1

Response: The U.S. considers U.S.-origin ZRY-4 FINAL TUBES as items in Appendix A (6) to Part 110 and in Part 1 of the NSG guidelines. If such tubes are exported from Japan, they are subject to NRC retransfer regulations. See discussion below.

QUESTION 4. Even in case that ZRY-4 FINAL TUBES are exported to United Kingdom and/or France from Japan by Japanese fabricator as items recognized as U.S. origin, we understand that ZRY-4 FINAL TUBES are able to be exported from Japan to United Kingdom and/or France under NRC General License 10 CFR 110.6 which stipulates "Retransfer of any nuclear equipment ... requires authorization by the Department of Energy, unless, the export to the destination is authorized under a special license or a general license (underline added) or an exemption from licensing requirements." However, we found that 10 CFR 110.42(b) stipulates "No such equipment or materials will be retransferred...without the prior consent of the United States." So, we would like you to clarify whether export of ZRY-4 FINAL TUBES from Japan are authorized without any regulation and wish you to advise us of procedures for the authorization.

Response: As stipulated in § 110.6, DOE authorization is not required for a retransfer of nuclear equipment listed in §§ 110.8 and 110.9 (such as ZRY-4 FINAL TUBES) if the new destination is authorized under an NRC general license. The United Kingdom and France are eligible recipients of direct exports from the U.S. of Section 109b nuclear components under NRC general license § 110.26. Therefore, U.S.-origin ZRY-4 FINAL TUBES can be retransferred from Japan to the United Kingdom or France without additional U.S. regulation. The criteria in § 110.42(b) is already satisfied because government authorities of the United Kingdom and France have provided the U.S. government with written generic assurances that satisfy the statutory criteria in Section 109b of the Atomic Energy Act, as amended. These written generic assurances need not reference an agreement for cooperation. The U.S. considers the foregoing to meet the requirements of the NSG guidelines for export of trigger list items, including "ZRY-4 TUBES".

QUESTION 1: We understand that it is possible to retransfer U.S.-origin zirconium metal. (you advised about trex only). However, as we suggested in Question 4, § 110.42(b)(3) states that zirconium tube which is stipulated by Appendix A (6) to Part 110 requires prior consent of U.S. in case of transfer and retransfer as stipulated in § 110.6, request for authority to retransfer is processed by DOE. We wish you to check linkage of §§ 110.6 and 110.42 with DOE and NRC.