



OFFICE OF THE  
SECRETARY

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

October 29, 1996

RELEASED TO THE PDR

11/1/96

date

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initials

MEMORANDUM TO:

James M. Taylor  
Executive Director for Operations

FROM:

John C. Hoyle, Secretary

SUBJECT:

STAFF REQUIREMENTS - COMEXM-96-001 - NEED FOR  
ADDITIONAL FINDINGS REGARDING PRIVATE  
OWNERSHIP OF THE GASEOUS DIFFUSION PLANTS  
UNDER THE USEC PRIVATIZATION ACT

The Commission requests that the staff formulate a process to address the following issues mandated by the USEC Privatization Act relative to any future Commission certification of compliance for USEC or its successor private corporation, following the initial certification that is currently ongoing. Under the Act, the Commission may not issue a certification of compliance if it determines that:

- (1) the corporation is owned, controlled or dominated by an alien, a foreign corporation or a foreign government;
- (2) issuance would be inimical to the common defense or security of the United States; or
- (3) issuance would be inimical to the maintenance of a reliable and economical domestic source of enrichment services.

(EDO)

(SECY Suspense: 3/28/97)

Findings (2) and (3) may not be straightforward if the privatized USEC continues in the role of executive agent for the U.S.-Russia HEU agreement. In formulating a process to deal with these issues, the staff should consider a process for interagency discussion of the executive agent issue and how that matter might affect the Commission's findings.

Commissioner Dicus did not participate in this matter.

cc: Chairman Jackson  
Commissioner Rogers  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
OGC  
OCA  
OIG

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