DCS/DF03

United States Department of State

*Washington, D.C. 20520*

January 22, 1997

XMAT 0393

Mr. Carlton R. Stoiber
Director, International Programs
United States Nuclear Regulatory Commission
Rockville, Maryland

Dear Mr. Stoiber:

I refer to the letter from your office dated December 31, 1996, requesting the views of the Executive Branch as to whether issuance of an export license in accordance with the application hereinafter described meets the applicable criteria of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XMAT0393 -- The Department of Energy Oakland Operations Office has applied on behalf of Lawrence Livermore National Laboratory (LLNL) for authorization to export to Canada one graphite vessel weighing 41 kilograms, 69.66 kgs of depleted uranium and 320.16 kgs of magnesium fluoride and chloride. Cameco Corporation of Port Hope, Ontario, will cut the graphite vessel in half, return one half to LLNL for metallography and chemical analysis and perform similar analyses on its half in support of a joint program for development of an atomic vapor laser isoptopic separation (AVLIS) feed conversion process whereby uranium tetrafluoride is converted to uranium metal.

It is the judgment of the Executive Branch that the proposed export will not be inimical to the common defense and security of the United States, and is consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978.

As a party to the NPT, Canada has committed itself to maintain IAEA safeguards on all of its peaceful nuclear activities and has pledged not to produce or otherwise acquire any nuclear explosive device. It is therefore the judgment of the Executive Branch that Criteria (1) and (2) for exports of nuclear components, substances and items (including nuclear grade graphite) under Section 109b of the Atomic Energy Act, as amended, are met. The remaining criterion, agreement not to retransfer any U.S.-supplied component, substance or item without prior U.S. consent, has been satisfied by the receipt of generic assurance letters from the Embassy of Canada dated July 7, 1978 and December 15, 1978, the subject of our letter to you dated February 5, 1979.

Section 64 of the Atomic Energy Act, as amended, authorizes exports of source material such as depleted uranium for non-nuclear fuel cycle use without being subject to a section 123 agreement for cooperation. Although the proposed export is in support of an AVLIS development project, the depleted uranium will not be introduced into the nuclear fuel cycle but will be disposed of as waste following metallography and analysis.

On the basis of the foregoing, the Executive Branch recommends that the license be issued.

Sincerely,

Richard J. K. Stratford
Director
Office of Nuclear Energy Affairs

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Attachment 2