



United States Department of State

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

January 14, 1988

Mr. James R. Shea
Director of International Programs
United States Nuclear Regulatory Commission
Bethesda, Maryland

XU08647
Japan

88 JAN 14 P121

Dear Mr. Shea:

This letter is in response to the letter from your office dated June 15, 1987, requesting Executive Branch views 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. XU08647 -- Application by Mitsubishi International Corporation for authorization to export 66,000 kilograms of natural uranium in the form of UF₆ to Japan for enrichment by Power Reactor and Nuclear Fuel Development Corp., and subsequent conversion and fabrication into fuel assemblies by Mitsubishi Nuclear Fuel Company, Ltd. for Kansai Electric Power Company's Takahama Nuclear Power Plant Unit No. 3.

The proposed export of natural uranium would take place pursuant to the Agreement for Cooperation Between the United States and Japan as confirmed in a letter from the the Embassy of Japan, a copy of which is enclosed. Japan has adhered to the provisions of its Agreement for Cooperation with the United States.

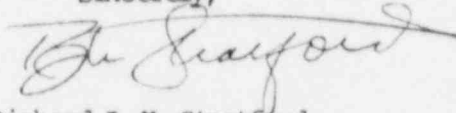
Under Section 17b, Elimination of Duplicative Reviews, of the Amended Procedures Established pursuant to the Nuclear Non-Proliferation Act of 1978, "where a proposed export requires approval for enrichment pursuant to section 402(a) of the NNPA and the proposed export for enrichment is licensed by the Nuclear Regulatory Commission, the Secretary of Energy, with the concurrence of the Secretary of State and having consulted the Director of the Arms Control and Disarmament Agency, the Nuclear Regulatory Commission and the Secretary of Defense, hereby approves such enrichment". Thus, a separate approval action of the proposed enrichment abroad under this license request is not required.

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XU-08647 PDR

The Executive Branch has reviewed the application and concluded that the requirements of the Atomic Energy Act, as amended, have been met and that the proposed export will not be inimical to the common defense and security of the United States. A detailed analysis for Japan was submitted April 30, 1979 for NRC case No. XSNM01435. There has been no material change in circumstances since that submission.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "R. J. K. Stratford", written in a cursive style.

Richard J. K. Stratford
Deputy Assistant Secretary
Nuclear Energy & Energy Technology Affairs

Enclosure:

Assurance letter

EMBASSY OF JAPAN

2520 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20008
(202) 939-6700

January 6, 1988

Mr. John M. Rooney
Director
Politico-Military Security
Affairs Division
Department of Energy
Washington, D.C. 20585

Dear Mr. Rooney:

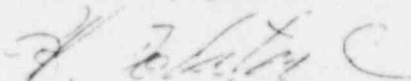
Concerning import of the nuclear material for the facility noted below, this will confirm that the Government of Japan appointed the Kansai Electric Power Co., Inc. (KEPCO) as an authorized person under the terms and conditions pursuant to Article VI of the Agreement for Cooperation between the Government of the United States of America and Government of Japan concerning Civil Uses of Atomic Energy which entered into force on July 10, 1968, amended by the Protocol on December 21, 1973.

Fuel for Takahama No. 3 of KEPCO: 66,000 kgs of natural uranium

Further, it is confirmed that the transfer of the nuclear material identified above will take place under all the terms and conditions of the Agreement for Cooperation between our Governments, and that the appointee(s) named above have been authorized to receive and possess the material by both Governments.

Also, the Government of Japan confirms that the safeguards and guarantees of the Agreement for Cooperation will always apply to this nuclear material, except for that material subsequently retransferred with the written approval of the United States.

Sincerely yours,



Masakazu Toshikage

First Secretary (Scientific)

Ref: This is in reference to the case number of XU-08647 stated in your letter dated June 23, 1987.

The intermediate consignees, the Power Reactor and Nuclear Fuel Development Corp. and the Mitsubishi Nuclear Fuel Company Ltd. are also authorized to receive and possess the material