

MEMORANDUM TO: Ronald D. Hauber, Director
Division of Nonproliferation,
Exports and Multilateral Relations
Office of International Programs

FROM: Theodore S. Sherr, Chief
Licensing and International
Safeguards Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

SUBJECT: XSOU-8775, EXPORT OF NATURAL
URANIUM TO EURATOM

We have reviewed the subject export application and provide the following international safeguards and foreign physical protection information for your consideration. This case involves the export of natural uranium to EURATOM for enrichment at the Urenco facilities in Germany, the Netherlands, and the UK and ultimate use as fuel in U.S. power reactors.

International Safeguards

Germany and the Netherlands are parties to the Non-Proliferation Treaty and, as such, accept IAEA safeguards on all source and special nuclear material in their nuclear activities. IAEA/EURATOM safeguards are also applied to nuclear material and facilities in these countries.

The UK is a nuclear weapons state and, therefore, not subject to full-scope IAEA safeguards pursuant to the Non-Proliferation Treaty (NPT). The UK has submitted some of its nuclear facilities to be considered by the IAEA for safeguards inspections under its "Voluntary Offer" agreement.

We note that the IAEA Safeguards Implementation Report for 1998 states that, with the exception of the DPRK situation, "...the Secretariat did not find any indication that nuclear material which had been declared and placed under safeguards had been diverted for any military purpose or for purposes unknown, or that facilities, equipment or non-nuclear material placed under safeguards were being misused. All the information available to the Agency supports the conclusion that the nuclear material and other items placed under safeguards remained in peaceful nuclear activities or were otherwise adequately accounted for."

Physical Protection

Evaluations were performed during visits to Germany in March 1998 and the Netherlands in May 1998. The conclusion of these reviews was that the physical protection programs were consistent with the then-current version of INFCIRC/225 (i.e., Rev. 3). Staff has reviewed subsequent information received to date, and has determined that there is no indication that the physical protection programs have degraded in these countries. In addition, staff has determined, on the basis of currently available information, that physical protection measures to protect against proliferation of nuclear weapons are in conformance with the current version of INFCIRC/225 (i.e., Rev.4).

A physical protection evaluation was performed during a visit to the UK in June 1999 and staff also determined that physical protection measures to protect against proliferation of nuclear weapons are in conformance with INFCIRC/225/Rev.4.

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