



United States Department of State

Washington, D.C. 20520

PDR
DCS/BRIS
MISS
DOE/OF
NAC/MISS

January 28, 2000

Ms. Janice Dunn Lee
Acting Director, International Programs
United States Nuclear Regulatory Commission
Rockville, Maryland

Dear Ms. Lee:

I refer to the letter from your office 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:

NRC No. XSNM03097--Westinghouse Electric Company has applied for authorization to export to South Africa 11,950 kilograms of U-235 contained in 239,000 kilograms of uranium enriched to a maximum of 5 percent in the form of uranium dioxide in completed fuel assemblies for reload of Units 1 & 2 of the Koeberg Nuclear Power Station. Westinghouse proposes an initial shipment of 4 lead assemblies followed by 9 reload regions to take place between February 2000 and December 31, 2008.

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.

The proposed export to South Africa would take place pursuant to the Agreement for Cooperation Between the United States and South Africa which entered into force on December 4, 1997, as confirmed in the assurance letter and attachments from the South African Ministry of Department of Minerals and Energy transmitted by the Embassy of South Africa on January 26, 2000, a copy of which is enclosed.

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

Sincerely,

Richard J.K. Stratford
Director
Nuclear Energy Affairs

200 FEB - 2 - 831 002

RECEIVED OIP

Enclosure: as stated.

OIP01

Attachment 2

FROM : SA.AMB.

FAX NO. : 2022320910

Jan. 26 2000 04:11PM P1



EMBASSY OF SOUTH AFRICA
3051 MASSACHUSETTS AVENUE, N. W.
WASHINGTON, D. C. 20008
(202) 232-4400

URGENT

TRANSMISSION BY FAX

TO : Department of Energy
FOR ATT : Mr Uzzle
NN-43 Fax no : 202-586-1348
FROM : Mrs Anna-Marie Moulton
Fax No : 202-2320910
DATE : 20000126

SUBJECT : ASSURANCES FROM THE SOUTH AFRICAN DEPARTMENT OF MINERALS AND ENERGY FOR THE EXPORT OF URANIUM TO THE KOEBERG NUCLEAR POWER STATION IN SOUTH AFRICA.

1. Our recent telephonic conversation in the abovementioned regard, refers.
2. Copies of the awaited assurances and related documentation are herewith copied for your urgent attention. It would be appreciated if the Embassy could be informed whether the first shipment will now be able to go ahead as scheduled.
3. Thank you very much for your patience and understanding in this regard.

Kind regards

A handwritten signature in cursive script, appearing to read 'Anna-Marie Moulton'.

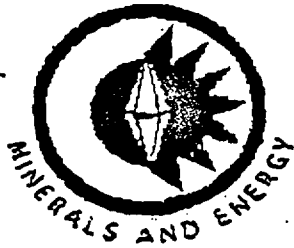
ANNA-MARIE MOULTON
FIRST SECRETARY

FROM : SA, A.M.B.
20-JAN-2000 09:24

FAX NO. : 2022320910
DISARMAMENT - DFA

Jan. 26 2000 04:11PM P2
012 351 1416 P.02

24/01 '20 13:27



DEPARTMENT OF MINERALS AND ENERGY
Minerals and Energy for Development and Prosperity
Private Bag X 59, Pretoria, 0001
Mineralia Centre, 391 Andries Street, Pretoria
Tel: 012 317 9282; Int: +27 12 317-9282
Fax: 012 317 9388; Int: +27 12 317-9388
Cell: 082-467-4512, e-mail: sdw@mepa.pwv.gov.za

24 January 2000

TO : Mr Jim Freund
USA Embassy

FAX : 012-342-6163

NUCLEAR FUEL SUPPLY BY WESTINGHOUSE TO ESKOM: CONFIRMATION OF COMPLIANCE WITH SA/USA AGREEMENT

Please find attached a letter and three attachments addressed to the Department of Energy: Nuclear Transfer and Supplier Policy Division. These are submitted for your attention following your enquiries and kind offer to forward same to the Department of Energy.

Regards

Schalk de Waal
DIRECTOR: NUCLEAR ENERGY

COPY: Ms K Vana, Department of Foreign Affairs, Fax: 351 1416

FROM : SA,AMB.
26-JAN-2000 09:24

FAX NO. : 2022320910

Jan. 26 2000 04:12PM P3

DISARMAMENT - DFA

012 351 1416 P.03

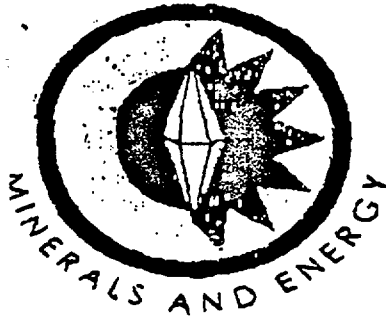
DEPARTMENT OF MINERALS AND ENERGY**Minerals and Energy for Development and Prosperity**Private Bag 159, Pretoria 0001, Mineralia Centre, 281 Amalinda Street,
Pretoria 0002, Republic of South Africa Tel No: (012) 517 9382 - Int - 27
12 137 9283 Fax No: (012) 317 9388 - Int - 27 12 317 9388 Cell: +27 82
467 4519; E-mail: edw@monta.gov.za

Enquiries: Schalk de Waal

Tel No: 012) 317 9382

Date: 24 January, 2000

Ref No: E213/93



Director
Nuclear Transfer and Supplier Policy Division
Department of Energy
United States of America
Washington, DC

For Attention: Ms Trisha Dedik

Dear Ms Dedik

NUCLEAR FUEL SUPPLY BY WESTINGHOUSE TO ESKOM

Your request for confirmation of compliance with the terms and conditions of the "Agreement for Co-operation between the Republic of South Africa and the USA concerning peaceful uses of nuclear energy" refers. This letter serves to provide such confirmation. Please find attached the following Authorities signed by the Minister of Minerals and Energy

- Authority to Eskom to manufacture nuclear fuel by entering into a contract with Westinghouse (8 April 1999).
- Authority to Eskom to acquire, process and use special nuclear material (1 November 1999).
- Authority to Eskom to import new nuclear fuel into the Republic of South Africa (24 January 2000).

The latter Authority requires compliance with the SA/USA Agreement.

Yours faithfully

DIRECTOR-GENERAL: MINERALS AND ENERGY



Minister of Minerals and Energy

E2/5/9/3/DME/ESK/001/2000

AUTHORITY TO ESKOM TO IMPORT NEW NUCLEAR FUEL INTO THE REPUBLIC OF SOUTH AFRICA

By virtue of the powers vested in me in terms of section 21(1)(p) of the Nuclear Energy Act, 1993 (Act No 131 of 1993) I, Phumzile Mlambo-Ngcuka, Minister of Minerals and Energy, hereby authorise ESKOM, Maxwell Drive, Sandton (P O Box 1091, Johannesburg, 2000, Republic of South Africa), to import new fuel for Koeberg Nuclear Power Station from Westinghouse, United States of America in accordance with the following details:

Shipping Date & Delivery Date	Number of fuel assemblies	Delivery at facility
11/02/2000	4 nuclear fuel assemblies, containing -1820 Kg U as UO ₂ enriched at 3,9%	Koeberg Nuclear Power Station
March 2000		

Specific conditions of this Authority are:

- (i) The nuclear material must be subjected to International Atomic Energy Agency Safeguards at all times.
- (ii) The nuclear fuel shall be subject to the terms and conditions of the "Agreement for Co-operation between the Republic of South Africa and the United States of America concerning peaceful uses of nuclear energy".
- (iii) This Authority must be produced to the appropriate United States Custom Officials, who must confirm the gross mass of the consignment transported in the Annexure attached hereto. A copy of the completed Annexure must be submitted to the Department of Minerals and Energy.
- (iv) Any additional official documentation regarding this Authority shall be promptly lodged by Eskom with the Department of Minerals and Energy.

FROM : SA. AMB.

FAX NO. : 2022320910

Jan. 26 2000 04:13PM P5

26-JAN-2000 09:25

DISARMAMENT - DFA

012 351 1416 P.05

120 13:29

Pg. 04

- (v) Prior formal notification of the import of the nuclear fuel and details of the quantity, composition, transfer of responsibility, dates and locations must be submitted to the Atomic Energy Corporation (Manager: Safeguards, P.O. Box 582, Pretoria, 0001) and the Department of Minerals and Energy (Director: Nuclear Energy, Private Bag X59, Pretoria, 0001).

This Authority is valid until 30 April 2000.

Issued at Pretoria on this 24th day of January 2000

Mal
 PHUMZILE MLAMBO-NGCUKA
 MINISTER OF MINERALS AND ENERGY



Minister of Minerals and Energy

E2/5/9/3/DME/ESK/005/99

AUTHORITY TO ESKOM TO ACQUIRE, PROCESS AND USE SPECIAL NUCLEAR MATERIAL

By virtue of the powers vested in me in terms of sections 21(1)(c), 21(1)(g), 21(1)(h) and 21(5) of the Nuclear Energy Act, 1993 (Act No 131 of 1993) I, Phumzile Mlambo-Ngcuka, Minister of Minerals and Energy, hereby authorise ESKOM, Maxwell Drive, Sandton (P O Box 1091, Johannesburg, 2000, Republic of South Africa), as follows:

1. To acquire 12165 kg 4.03% enriched uranium as Uranyl Nitrate Hydrate, as a once off purchase, from United States Enrichment Corporation (USEC) to be delivered to Westinghouse, Colombia, USA, during the period commencing on 15 December 1999 and ending on 15 January 2000.
2. To process the 4.03% enriched uranium by down blending it to 3.9% enrichment at Westinghouse, Colombia, USA.
3. To use the 3.9% enriched uranium for the manufacture of nuclear fuel at Westinghouse, Colombia, USA.

Specific conditions of this Authority are:

- (i) The nuclear material must be subjected to International Atomic Energy Agency Safeguards at all times.
- (ii) Eskom shall supply confirmation documentation to the Department of Minerals and Energy of completion of the transactions.
- (iii) Any additional official documentation regarding this Authority shall likewise, be promptly lodged by Eskom with the Department of Minerals and Energy.
- (iv) A certified copy of this Authority, and subsequent details of the transactions must be furnished to the Manager: Safeguards, P.O. Box 582, Pretoria, 0001

This Authority is valid until 31 January 2000.

Issued at Pretoria on this 1st day of November 1999



Minister of Minerals and Energy

E2/5/9/3/DME/ESK/005/99

AUTHORITY TO ESKOM TO ACQUIRE, PROCESS AND USE SPECIAL NUCLEAR MATERIAL

By virtue of the powers vested in me in terms of sections 21(1)(c), 21(1)(g), 21(1)(h) and 21(5) of the Nuclear Energy Act, 1993 (Act No 131 of 1993) I, Phumzile Mlambo-Ngcuka, Minister of Minerals and Energy, hereby authorise ESKOM, Maxwell Drive, Sandton (P O Box 1091, Johannesburg, 2000, Republic of South Africa), as follows:


1. To acquire 12165 kg 4.03% enriched uranium as Uranyl Nitrate Hydrate, as a once off purchase, from United States Enrichment Corporation (USEC) to be delivered to Westinghouse, Colombia, USA, during the period commencing on 15 December 1999 and ending on 15 January 2000.
2. To process the 4.03% enriched uranium by down blending it to 3.9% enrichment at Westinghouse, Colombia, USA.
3. To use the 3.9% enriched uranium for the manufacture of nuclear fuel at Westinghouse, Colombia, USA.

Specific conditions of this Authority are:

- (i) The nuclear material must be subjected to International Atomic Energy Agency Safeguards at all times.
- (ii) Eskom shall supply confirmation documentation to the Department of Minerals and Energy of completion of the transactions.
- (iii) Any additional official documentation regarding this Authority shall likewise, be promptly lodged by Eskom with the Department of Minerals and Energy.
- (iv) A certified copy of this Authority, and subsequent details of the transactions must be furnished to the Manager: Safeguards, P.O. Box 582, Pretoria, 0001.

This Authority is valid until 31 January 2000.

Issued at PRETORIA on this 1st day of November 1999


PHUMZILE MLAMBO-NGCUKA
MINISTER OF MINERALS AND ENERGY.

K
DME J



RECEIVED
09 APR 1999
CHIEF EXECUTIVE

Minister of Minerals and Energy

E2/5/9/5/DME/ESK/002/1999

AUTHORITY TO ESKOM TO MANUFACTURE NUCLEAR FUEL

By virtue of the powers vested in me in terms of sections 21(1)(c) and 21(5) of the Nuclear Energy Act (Act No 131 of 1993) I, PENUELL MPAPA MADUNA, Minister of Minerals and Energy, hereby authorise

ESKOM
Megawatt Park
Maxwell Drive
Sandton

P O Box 1091
Johannesburg 2000
Republic of South Africa

to enter into a contract with Westinghouse (USA) for the manufacture of nuclear fuel for the Koeberg Nuclear Power Station.

Specific conditions of this Authority are:

- (i) All nuclear material must be subjected to IAEA Safeguards at all times, including non-proliferation requirements.
- (ii) Any additional official documentation regarding this Authority shall be promptly lodged by Eskom with the Department of Minerals and Energy.
- (iii) This Authority is limited to a maximum of three fuel reloads and four lead fuel assemblies.
- (iv) Eskom shall apply for a separate authority for the importation of any fuel manufactured in terms of the Westinghouse contract. Any such application must be supported by a formal submission demonstrating the availability of a licensed spent fuel storage facility for spent fuel arising from the Westinghouse contract.
- (v) A certified copy of this Authority must be furnished to the Senior Manager, Nuclear Non-Proliferation Department, Atomic Energy Corporation of South Africa Ltd, P.O. Box 582, Pretoria.

This Authority is valid until 31 December 2003.

issued at PRETORIA on this 8 day of APRIL 1999.

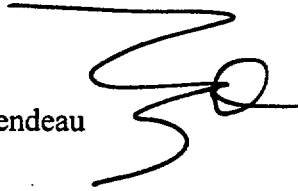
DR P M MADUNA
MINISTER OF MINERALS AND ENERGY

NRC No. XSNM03097--Westinghouse Electric Company application to export to South Africa 11,950 kilograms of U-235 contained in 239,000 kilograms of uranium enriched to a maximum of 5 percent in the form of completed fuel assemblies for reload of Units 1 & 2 of the Koeberg Nuclear Power Station.

Drafted:NP/NE - R. DeLaBarre
01/27/00

Clearances:

NP/NEA - R. Stratford
L/PM - Orde Kittrie
DOD/DTRA - Bill Witter
DOE/NN-43 - Christine. Riendeau
AF/S - D.Gatto/Koplovsky

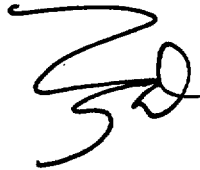
A large, stylized handwritten signature in black ink, appearing to be 'SO', is written over the list of names.

XSNM03097 -- EXECUTIVE BRANCH ANALYSIS FOR EXPORT TO SOUTH AFRICA OF
LEU FOR RELOAD OF Units 1 and 2 of the KOEBERG NUCLEAR POWER STATION

Drafted:NP/NE:RDeLaBarre
01/20/00 DelabarreR/NRC/ANALYSIS

Clearances:

NP/NE:RStratford
NP/NE:JDooley
DOE:RGoorevich
L/PM:DKaye

A handwritten signature in black ink, appearing to be 'JD', is written over the list of names.