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**AUSTRALIAN SAFEGUARDS
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OFFICE**

File 97/030790-2

3 February 2000

Chairman Greta Dicus
Nuclear Regulatory Commission
One White Flint Building
11555, Rockville Pike
ROCKVILLE MD 20852 USA 20585

Dear Chairman Dicus

The purpose of this letter is to invite the NRC and DOE to send a team of experts to Australia to inspect physical protection arrangements at the SILEX Systems Limited facility at Lucas Heights, Sydney, NSW and for related discussions, including arrangements for classification and transfer of sensitive information.

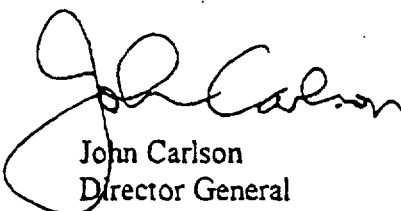
You will recall that such Reciprocal Assurance Visits are envisaged in Annex A of the Agreement for Cooperation between Australia and the United States of America concerning Technology for the Separation of Isotopes of Uranium by Laser Excitation, currently undergoing the treaty approval processes of our respective legislatures. We see no difficulty in hosting a visit by US experts before the Agreement enters into force. We envisage being able to perform a similar visit to the USEC facility at Paducah, KY where other development work pertinent to the SILEX System is being pursued, and assume there is no difficulty in arranging that.

From previous discussions with NRC and DOE officials, we understand that a team might be available to visit Australia later this month. I would welcome your advice that this is so. For your information, relevant staff from my Office will be unavailable from about the second week in March through to the end of April due to prior commitments, so it would be difficult for us to host a visit at that time. We would like our reciprocal visit to the US to take place in May, if that would be convenient.

Please feel free to contact me if you have any queries in respect of these proposals.

I am writing in similar terms to Mr Eugene Habiger of DOE.

Yours sincerely



John Carlson
Director General