Template OI P-09



United States Department of State

Washington, D.C. 20520

March 14, 2000

Mr. Ronald D. Hauber **Deputy Director** Office of International Programs United States Nuclear Regulatory Commission Rockville, Maryland

Dear Mr. Hauber:

I refer to your letter of February 28, 2000, requesting the assistance of the Department of State in obtaining assurances from the Government of Brazil to confirm that the following request for amendment of an export license meets with their approval.

Siemens Power Corporation has applied for an amendment to license XSNM02999 to change the end-use for the export to Brazil of 100,000 kilograms of uranium enriched to a maximum of 5 percent for the initial core and reload fuel for Angra 2, to authorize use of 2,000 kilograms of that material for reload fuel for Angra 1.

Enclosed is a copy of U.S. Embassy Brasilia telegram no. 776 dated March 8, 2000, reporting the receipt of Brazilian Government assurances, confirming that the exported nuclear material upon receipt in Brazil will be subject to the terms and conditions of the 1999 U.S.-Brazil Agreement for Cooperation and that Angra 1 is authorized to receive and possess the exported nuclear material. The authorization of Angra 2 to receive and possess the imported nuclear material was confirmed by the previous GOB assurances.

Sincerely,

Robin DeLaBarre

Office of Nuclear Energy Affairs

Enclosure: Brasilia 776

TI HY 91 HYM MZ

BECEINED OIL

UNCLASSIFIED

Printed By: Lula J Ellis 03/08/2000 02:14:28 PM

FAXED NRC by

BRASILIA 776

From: AMEMBASSY BRASILIA

MRN: 776

Date/Time: 081530Z MAR 00

Subject: BRAZIL: AMENDMENT OF END-USE

ASSURANCES FOR

ICNbr: TED2638

Precedence: PRIORITY

Cable Text:

TED2638

ACTION PM-00

INFO LOG-00 NP-00 AID-00 AMAD-01 CIAE-00 COME-00 CTME-00 DODE-00 DOEE-00 ITCE-00 WHA-01 EB-00 EXME-00 UTED-00 VC-01 TEDE-00 INR-00 ITC-01 VCE-00 AC-01 NRC-01 NSAE-00 OES-01 OMB-01 OPIC-01 ACE-00 STR-00 PMB-00 SAS-00 T-00 /009W

-----3C999D 081615Z /38

P 081530Z MAR 00 FM AMEMBASSY BRASILIA TO SECSTATE WASHDC PRIORITY 8973

UNCLAS BRASILIA 000776

STATE FOR PM/NE FOR ROBIN DELABARRE

E.O. 12958: N/A

TAGS: ENRG, KSTC, ETTC, KSCA, KNNP, TRGY, BR SUBJECT: BRAZIL: AMENDMENT OF END-USE ASSURANCES FOR

REF: A) STATE 53594, B) TELCON LABARRE/COHEN, FEB 16, 2000

1. (U) EMBASSY HAS RECEIVED FROM THE MINISTRY FOREIGN AFFAIRS A DIPLOMATIC NOTE CONVEYING THE AMENDMENT TO END-USE ASSURANCES REQUESTED REFTEL IN CONNECTION WITH U.S. AUTHORIZATION FOR SIEMENS POWER CORPORATION TO EXPORT TO BRAZIL LOW ENRICHED URANIUM FROM THE U.S. TO BRAZIL, FOR USE BY INDUSTRIAS NUCLEARES BRASILEIRAS (INB), (BRAZILIAN NUCLEAR INDUSTRIES) IN THE ANGRA 1 AND 2 NUCLEAR POWER PLANTS. EMBASSY NOTES THAT, SINCE THE GOB HAS TWICE PROVIDED END-USE ASSURANCES FOR THIS SAME MATERIAL TO BE USED AT ANGRA 1 AND 2, AS SUGGESTED BY THE DEPARTMENT IN TELCON, THE GOB HAS IN THIS INSTANCE PROVIDED ASSURANCES ONLY FROM THE FOREIGN MINISTRY, RATHER THAN THE CUSTOMARY

PI : II NA BI RAM DIZ RECEIVED OIP

UNCLASSIFIED

UNCLASSIFIED

CERTIFICATES AND STATEMENTS FROM THE MFA, THE MINISTRY OF SCIENCE AND TECHNOLOGY, THE INDUSTRIAS NUCLEARES DO BRASIL, S.A., AND THE BRAZILIAN NUCLEAR ENERGY COMMISSION.

2. (U) INFORMAL TRANSLATION OF MFA NOTE NUMBER DDS/16/PARD, DATED MARCH 2,2000:

"THE MINISTRY OF FOREIGN AFFAIRS PRESENTS ITS COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF AMERICA AND, IN SUPPLEMENT TO THE DIPLOMATIC NOTE NUMBER 67, DATED SEPTEMBER 1998, AND WITH REFERENCE TO OTHER COMMUNICATIONS ABOUT THE SAME MATTER, HAS THE HONOR TO AMEND THE ASSURANCES OF THE BRAZILIAN GOVERNMENT WITH RESPECT TO THE EXPORT LICENSE NRC/XSNMO 2999, RENEWED IN SEPTEMBER 1998, IN ORDER TO PERMIT THE COMPANY INDUSTRIAS NUCLEARES DO BRASIL TO REDIRECT 2,000 KG OF URANIUM WITH LOWER ENRICHED URANIUM FROM ANGRA II TO ANGRA I.

- 2. IN RELATION TO THE ABOVE OPERATION, THE MINISTRY CONFIRMS THE FOLLOWING:
- A) THAT THE MATERIAL ABOVE-REFERENCED MATERIAL WILL BE SUBJECT TO THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL CONCERNING PEACEFUL USES OF NUCLEAR MATERIAL, WHICH ENTERED INTO FORCE IN SEPTEMBER 15, 1999;
- B) THAT THE MATERIAL IN QUESTION WILL NOT BE USED FOR MILITARY PURPOSES, IN CONFORMITY WITH THE STIPULATION OF ARTICLE VIII (2) OF THE REFERENCED AGREEMENT;
- C) THAT THE END USER MENTIONED ABOVE (ANGRA 1) IS AUTHORIZED TO RECEIVE AND POSSESS THE REFERENCED MATERIAL."

BRASILIA, MARCH 02, 2000

/s/

END TEXT OF NOTE

UNCLASSIFIED

3. (U) EMBASSY WILL POUCH THE DEPARTMENT THE ORIGINAL NOTE TO THE ATTENTION OF NP/NE - R. DELABARRE.

HARRINGTON NNNN

End Cable Text

Printed By: Lula J Ellis 03/08/2000 02:14:28 PM