

POLICY ISSUE
(Notation Vote)

August 2, 2001

SECY-01-0144

FOR: The Commissioners

FROM: Janice Dunn Lee, Director
Office of International Programs /RA/

SUBJECT: PROPOSED LICENSE TO EXPORT COMPONENTS FOR REPROCESSING PLANT IN
JAPAN (XCOM1142)

PURPOSE:

To request Commission review of the proposed issuance of a license to Westinghouse Savannah River Company involving the export of components for a reprocessing plant. The application is being referred to the Commission in accordance with 10 CFR 110.40(b)(4).

DISCUSSION:

On February 7, 2001, Westinghouse Savannah River Company applied for a license (Attachment 1) to export three controlled-potential coulometer systems, including cell assemblies, valued at \$350,000.00, plus spare and replacement parts as required, valued at \$150,000.00, for a total of \$500,000.00, for ultimate use at Japan Nuclear Fuel Limited's Rokkasho Mura Reprocessing Plant, located in Aomori-Ken Prefecture in Japan, for accurate measurement of plutonium content for the purpose of nuclear material accountancy. The coulometer systems will be installed at Rokkasho by Mitsubishi Heavy Industries (MHI) following initial assembly and testing at MHI's Nuclear Fuel Reprocessing Plant Engineering Section Kobe Shipyard and Machinery Works.

In response to NRC's request for views on the proposed export, the Executive Branch, in a letter dated July 9, 2001 (Attachment 2), recommends that the license be issued to Westinghouse Savannah River Company. It is the Executive Branch judgment 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 Executive Branch letter notes that, as a party to the NPT, Japan has committed itself to maintain IAEA safeguards on all of its peaceful nuclear activities and has pledged not to manufacture or otherwise acquire any nuclear explosive device. It is, therefore, the judgment of

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the Executive Branch that criteria (1) and (2) for exports of nuclear components, substances and items under Section 109b of the Atomic Energy Act, as amended, are met. The remaining criterion, agreement not to retransfer any U.S.-supplied component or material without prior U.S. consent, has been satisfied by letters from the Embassy of Japan dated October 5, 1978, and February 28, 1979, the subject of previous correspondence on nuclear component exports to Japan.

International Safeguards and Physical Protection:

Japan is a party to the Non-Proliferation Treaty (NPT) and, as such, accepts IAEA safeguards on all source and special nuclear material in its nuclear activities. Nuclear components, however, are not subject to IAEA safeguards while in NPT countries under Article III(2) of the Treaty. It is noted, however, that the Rokkasho reprocessing plant, where the coulometers will be utilized, will have IAEA safeguards applied to it.

There are no physical protection requirements applicable to this license request.

CONCLUSION:

The staff concurs with the Executive Branch judgment that the proposed export would not be inimical to the common defense and security of the United States and also meets the three specific export licensing criteria of Section 109b of the Atomic Energy Act of 1954, as amended. There are no applicable international safeguards or foreign physical protection requirements for the proposed export.

RECOMMENDATION:

That the Commission authorize the issuance of the requested license to Westinghouse Savannah River Company.

Janice Dunn Lee, Director
Office of International Programs

Attachments: 1. 2/7/01 Westinghouse Savannah River Company Export License Application
2. 7/09/01 DOS Letter R.J.K. Stratford to JDLee

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*Previously concurred

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