



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

November 15, 2000

The Honorable Fred Thompson, Chairman
Committee on Governmental Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Nuclear Regulatory Commission (NRC) has sent to the Office of the Federal Register for publication of the enclosed final rule which makes minor amendments to the Commission's export regulations at 10 CFR Part 110. These amendments are needed to reflect: (1) the nuclear non-proliferation policies of the Executive Branch; (2) U.S. Government reporting obligations to the International Atomic Energy Agency (IAEA) and under agreements for cooperation in the peaceful uses of nuclear energy; (3) the multilateral export control recommendations of the Nuclear Suppliers Group (NSG) and the Nuclear Non-proliferation Treaty Exporters Committee (Zanger Committee), of which the U.S. is a member; and (4) IAEA publication INFCIRC/225/Rev.4, "The Physical Protection of Nuclear Material and Nuclear Facilities." A summary of the final rule follows.

1. Obligation Tracking: The rule requires NRC licensees to notify the NRC before any shipment is made of foreign-origin material (including, but not limited to EURATOM and Japan). Currently, this required prior notice only applies to NRC licensees who ship material that originates in Canada or Australia. This expanded requirement is being made to accommodate an increased and more complex number of government-to-government commitments (obligations) undertaken through the signing of various agreements for cooperation with other countries.

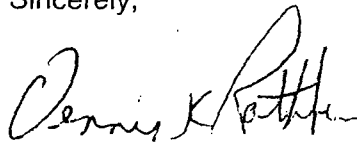
2. The General License: The rule will expand the authority of U.S. companies to export under a general license, uranium enriched to less than 20 percent in U-235, in the form of UF₆ heels in cylinders being returned to suppliers in EURATOM, and adds californium-253, -254, and neptunium-235 to the illustrative list of byproduct materials under NRC's jurisdiction. These changes are expected to result in a decrease of approximately eight specific licenses. Also, a new annual reporting requirement is added for americium and neptunium that is exported under a general license for byproduct material. This reporting requirement fulfills a U.S. Government commitment to the International Atomic Energy Agency. It is expected to affect one licensee and increase the reporting burden of Part 110 by .5 hours.

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3. The Specific License: The following items are being added to the specific license to reflect Executive Branch policy and the multilateral control recommendations of the NSG and Zangger Committee: (1) plants for the production of special nuclear material using accelerator-driven subcritical assembly systems capable of operation above 5 MWe thermal; (2) plants and especially designed or prepared systems for the conversion of UO_2 to UCl_4 as feed for electromagnetic enrichment plants and for plutonium conversion; and (3) non-U.S.-origin components and components for research reactors capable of operating above 5 MWe thermal. These changes are expected to result in an increase of approximately seven specific licenses.

4. The rule also adds Sudan to the list of embargoed destinations for which a U.S. trade embargo is in effect and makes certain editorial revisions and corrects typographical errors.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis K. Rathbun". The signature is fluid and cursive, with a large initial "D" and "R".

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure: Final Rule

cc: Senator Joseph I. Lieberman