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R-020-101.7

FERNALD DISPOSITION OF LOW ENRICHED URANIUM

04/05/96

DOE-HQ-OACN DOR-FEMP
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MEMORANDUM



Department of Energy

Washington, DC 20585

April 5, 1996

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MEMORANDUM FOR JACK R. CRAIG, DIRECTOR
FERNALD AREA OFFICE

FROM: TRISHA DEDIK, DIRECTOR
EXPORT CONTROL DIVISION
OFFICE OF ARMS CONTROL AND NONPROLIFERATION

SUBJECT: FERNALD DISPOSITION OF LOW ENRICHED URANIUM

As requested in your March 5, 1996, memorandum, the concurrence of Joan B. Rohlfing, Director of the Office of Nonproliferation and National Security, on the proposed sale of low enriched uranium (LEU) is attached.

It should be noted that this concurrence is based on understandings reached in telephone discussions between Mary Beth Garies of your staff and Zan Hollander of my office that:

- The sale offer will require that bidders state the intended end use of the LEU and will put bidders on notice that export of LEU requires a Nuclear Regulatory Commission export license.
- My office will be consulted in the process of reviewing bids to determine that a selected bidder poses no nuclear proliferation concerns.
- The selected bidder is required to acknowledge responsibility to obtain any necessary export license and, if export is intended, to present the export license on taking possession of the material from the Department of Energy.
- The selected bidder is required to transmit the export control guidance if the material is retransferred domestically.

If you or Ms. Garies have any questions on this matter, please contact Mr. Hollander at (202) 586-2125.

Garies (M)
action response to
Doc-0579-76 P-05
(9528)



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United States Government

Department of Energy

Fernald Field Office

memorandum

DATE: **MAR 05 1996**
DOE-0579-96

REPLY TO: **FN:Gareis**
ATTN OF:

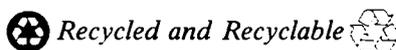
SUBJECT: **DISPOSITION OF LOW ENRICHED URANIUM**

TO: **Joan B. Rohfling, NN-1, FORS**

The Fernald Environmental Management Project (FEMP) wishes to offer for sale its current product inventory of low enriched uranium that consists of approximately six million pounds of material in the form of metal, UF_4 , oxides (UO_3 , UO_2 , U_3O_8), and recoverable residues. All inventory is below 20% U^{235} enrichment. Low enriched uranium is identified on the Nuclear Suppliers Group Trigger list referred to in the "Interim Guidelines on Export Control and Nonproliferation", dated November 3, 1994, and the "Interim Policies for Control of High Risk Personal Property", revised February 7, 1995. According to these guidelines, there is a presumption of destruction in disposal of such items and exceptions must be approved by your office. Therefore, the FEMP is requesting an exception in order to disposition its low enriched uranium inventory and maximize returns to U.S. taxpayers.

With the recommendation of Greg Rudy, Acting Director of the Office of Fissile Material Disposition and approval of Acting Under Secretary Thomas Grumbly (see Attachment), the Department of Energy, Fernald Area Office (DOE-FN) has entered into an agreement with the U.S. Enrichment Corporation (USEC) enabling USEC to act as a marketing agent in order to disposition the FEMP inventory of low enriched uranium. In accordance with guidance from Zan Hollander of your Export Control Division, the FEMP will coordinate with USEC to require bidders to state the intended end use and to ascertain that this use does not conflict with U.S. Nonproliferation objectives. If the use is domestic, bidders must obtain all necessary federal, state and local government licenses and permits. If the material is to be exported, bidders must meet all requirements of U.S. export control laws and regulations. In the case of low enriched uranium, this means that any purchaser intending to export must obtain a license from the Nuclear Regulatory Commission (NRC). The purchaser will be required to furnish copies of all licenses/permits to the Fernald Environmental Restoration Management Corporation (FERMCO) before taking possession of the material. Also, in reviewing bids the FEMP will take precautions to ensure that the selected bidder poses no nuclear proliferation concerns by checking with your Export Control Division (NN-43) before executing any sale.

Based on the above, the FEMP requests your concurrence to proceed with the sale of the low enriched uranium. Since the FEMP is under restrictive deadlines to avoid impacting the Decontamination and Decommissioning (D&D) of the site, we request your response as soon as possible.



If you have any questions, please contact Mary Beth Gareis at (513) 648-3181.

Glenn Griffiths
for Jack R. Craig
Director

Attachment: As Stated

Concurrence:

Joan B. Rohfling

Joan B. Rohfling, Director
Office of Nonproliferation &
National Security

1 April 1996

Date

cc w/o att:

R. Hahn, DP-22, GTN
B. Newton, DP-22, GTN
J. Fiore, EM-42, GTN
N. Hallein, EM-423, GTN
R. Duncan, MD-1, FORS
Z. Hollander, NN-43, FORS
R. Grandfield, DOE-OH
M. Jordan, DOE-OH
G. Griffiths, DOE-FN
W. Pasko, DOE-FN
H. Bailey, FERMCO
S. Kaushiva, FERMCO