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NONPROLIFERATION REVIEW OF LOW ENRICHED URANIUM SALE

01/16/97

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DOE-FEMP DOE-NN-43-FORS
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MEMORANDUM**

United States Government

Department of Energy

Fernald Area Office

memorandumDATE: JAN 16 1997
DOE-0404-97REPLY TO
ATTN OF: FEMP:Gareis

SUBJECT: NONPROLIFERATION REVIEW OF LOW ENRICHED URANIUM SALE

TO: Trisha Dedik, NN-43, FORS

- Reference: 1) Memorandum J. R. Craig to Joan Rohlfing, "Disposition of Low Enriched Uranium," dated March 5, 1996.
- 2) Memorandum, T. Dedik to J. R. Craig, "Fernald Disposition of Low Enriched Uranium," dated April 5, 1996.

This memorandum documents phone conversations on August 1, 1996, and December 26, 1996, between Zan Hollander of your Export Control Division and Mary Beth Gareis of my staff regarding the potential export of low enriched uranium offered for sale in a Request for Proposal (RFP) issued in May of last year.

As agreed to in the referenced memorandums, the Fernald Environmental Management Project (FEMP) has consulted Mr. Hollander during the bid review and obtained his guidance that the prospective buyer, British Nuclear Fuels Uranium Asset Management Company Limited, poses no proliferation concern and that the intended use does not conflict with U.S. nonproliferation objectives. A summary of the details discussed follows.

The RFP process has been completed. British Nuclear Fuels Uranium Asset Management Company Limited (UAM) is the sole responsive bidder at this time. The low enriched uranium materials for this potential sale to UAM consist of portions of the compounds (UO₃, UF₄, UO₂, and U₃O₈) offered in the RFP. A subsequent offer is being prepared by UAM for portions of the low enriched uranium metal, also offered in the RFP. UAM intends to process all purchased material into fuel for nuclear power reactors in the United Kingdom. The sales contract will require the buyer to comply with all United States Export Control laws and regulations and to transmit the export control guidance if the material is retransferred domestically. In addition, the buyer will be required to possess all necessary licenses and permits prior to receiving the material.

The FEMP plans to award the contract in early 1997 and appreciates your support in our nuclear material disposition efforts.

If you have questions regarding this issue, contact Mary Beth Gareis at (513) 648-3181.

Glen Griffiths
for Jack R. Craig
Director

cc:

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