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October 4, 1996

VIA HAND DELIVERY

Hon. Hazel R. O'Leary Secretary of Energy U.S. Department of Energy James Forrestal Building 1000 Independence Avenue, S.W. Washington, D.C. 20585

Proposed Export of MOX Fuel to Canada

Dear Secretary O'Leary:

We are writing to you concerning the application, now pending before the Nuclear Regulatory Commission (NRC), of Los Alamos National Laboratory for a license to export uranium- plutonium mixed oxide (MOX) fuel to Canada. We urge that you take appropriate steps to have this application withdrawn, pending completion by the Department of its programmatic review of the Materials Disposition Program under the National Environmental Policy Act of 1969. As the license application will soon be reviewed by the NRC, your immediate action to withdraw the application is necessary.

The Los Alamos application involves the export of MOX fuel, fabricated from surplus military plutonium, for the purpose of testing the "feasibility" of MOX use in Canadian CANDU reactors. It marks the first actual use of excess military plutonium for fueling a civil reactor (in this case the NRU research reactor at AECL's Chalk River facility) and the first export of such material for this purpose. As such, it represents a significant development in the Department's Materials Disposition Program, and it may establish a precedent for a large MOX program or be regarded as a decision in principle about the future of the MOX program that would prejudge your decision or at least seek to leverage it in favor of the MOX option. Moving forward with this proposal may also tend to divert attention from more promising and less risky nonproliferation strategies such as immobilization of warhead plutonium by vitrification.

In our judgment, the application is premature and inappropriate at this time. The proposed export is not expected to contribute to the ongoing NEPA decision-making process. That process is proceeding apace, and a final programmatic environmental impact statement for the storage and disposition of weapons-usable materials may be issued within the next several months. Until the process is complete and your Record of Decision issued, NEPA requires that interim actions, such as that reflected in the proposed export application, should not be undertaken. *See* 40 C.F.R. § 1506.1.

On October 3, we filed a Petition for Leave to Intervene and Request for Hearing before the Nuclear Regulatory Commission, urging, *inter alia*, that the Commission defer licensing action on the application, pending issuance of the Department's ROD. A copy of that Petition is enclosed. We would hope, however, that it would not be necessary to litigate this question before the NRC and that instead the Department would see the wisdom of not moving ahead with a controversial project for the use of MOX until it finally decides which disposition option is the most sound from an economic, environmental and national security perspective.

Thank you for your consideration of our views.

Sincerely,

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Enclosure





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