

June 17, 2008

EA-08-163

Mr. Akihiro Kurosawa
Chief Compliance Officer
Mitsubishi International Corporation
New York Office
655 Third Avenue
New York, NY 10017

SUBJECT: FAILURE TO OBTAIN EXPORT LICENSE FOR 1998 SHIPMENTS OF 20 GRAPHITAR RINGS FOR QINSHAN POWER PLANT, PEOPLE'S REPUBLIC OF CHINA – NON-CITED VIOLATION OF 10 CFR 110.41

Dear Mr. Kurosawa:

This refers to your letter dated April 21, 2008, summarizing your self disclosure of unlicensed shipments made on March 28, 1998, and April 25, 1998, of a total of 20 Graphitar Rings to an unaffiliated company, Mitsubishi Heavy Industries (MHI) in Japan, that were subsequently integrated into nuclear reactor cooling pumps, then delivered by MHI to a commercial nuclear power plant in China. The export of the Graphitar Rings to Japan and ultimately to China required a specific export license from the NRC. Specifically, contrary to 10 CFR 110.41 on March 28, 1998, and again on April 25, 1998, you shipped a total of 20 Graphitar Rings to Japan that were then exported from Japan to China.

Based on the information you provided, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. This violation is being treated as a non-cited violation consistent with Section VI.A of the Enforcement Policy (included on the NRC's Web site at <http://www.nrc.gov>; select **Public Meetings & Involvement, Enforcement, then Enforcement Policy**) because (a) you identified the violation, (b) you initiated prompt and comprehensive corrective actions to prevent recurrence, c) the violation was not repetitive as a result of inadequate corrective actions, and (d) the violation was not willful.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in your letter dated April 21, 2008. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. If you contest the violation or its significance, you should provide a response within 30 days of the date of this letter with the basis for your denial to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to (1) the Director, Office of International Programs; and (2) the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

Mr. Kurosawa

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS) accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

Sincerely,

/RA/

Cynthia A. Carpenter, Director
Office of Enforcement

cc: (See page 3)

Enclosure: Incoming disclosure from Mitsubishi International Corporation

Mr. Kurosawa

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cc:

Defense Threat Reduction Agency (OP-CSNSP)
ATTN: Mr. David B. McDarby
8725 John J. Kingman Road, MSC-6201
Fort Belvoir, VA 22060-6201

Customs & Border Protection, NTCC
Attn: Christopher M. Baugues, MSc, Physical Scientist
LSS Teleforensic Center
12825 Worldgate Plaza III
Herndon, Virginia 20170

U.S. Department of Energy/NNSA
Office of International Regimes and Agreements (NA-243)
ATTN: Mr. Richard S. Goorevich, Director
National Nuclear Security Administration
1000 Independence Avenue, SW
Washington, DC 20585-1615

U.S. Department of Energy, NA-243
Office of International Regimes and Agreements
ATTN: Ms. Ingrid Bruns
1000 Independence Avenue, SW
Washington, DC 20585

Bureau of Industry and Security
Office of Nuclear and Missile Technology
ATTN: Steve Clagett
14th Street & Penn Avenue, NW, Room 2631
Washington, DC 20230

NAC/NMMSS
ATTN: Jessica Norles
Nuclear Materials Analyst
NAC International, NMMSS Project
P.O. Box 922088
Norcross, GA 30010

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Sincerely,

/RA/

Cynthia A. Carpenter, Director
Office of Enforcement

cc: (See page 3)

Enclosure: Incoming disclosure from Mitsubishi International Corporation

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