

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

December 19, 1979

INFORMATION REPORT

SECY-79-674

For: The Commissioners

From: James R. Shea, Director
Office of International Programs

Thru: Executive Director for Operations *TAR for L.V.G.*

Subject: COMPONENT EXPORTS TO INDIA FOR THE TARAPUR REACTOR

Purpose: To inform the Commission of the status of recent developments concerning pending component export license applications for Tarapur.

Background: On August 15, 1979, at the Commission's direction, the staff notified the State Department that NRC would defer final consideration of the pending fuel case for Tarapur (XSNM-1379) and the related component cases (XCOM0240 and 250) until receipt of the Executive Branch's assessment of the implications of the recent changes in the Indian Government leadership. However, receipt of this assessment is unlikely before completion of the new elections in India, scheduled for early January 1980.

Discussion: At present, the staff is continuing to defer action on all pending Tarapur component export cases, even though the items proposed for export are intended for use in the Tarapur reactors while they are being operated with fuel exported under previously approved U.S. Government exports.

Favorable Executive Branch views on XCOM0240 and 250 were received on June 12 and October 23, respectively, and are attached at Appendix A. In addition, on October 5, the staff received a letter from General Electric (Appendix B) expressing urgency with respect to XCOM0250. The GE letter also claimed that the components covered by XCOM0250 (six traversing incore probe detector assemblies) are required to permit normal reactor operations at Tarapur and that the lack of the detectors "clearly would not be

Contact:
M.R. Peterson (492-8155)

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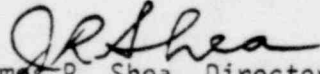
in the interest of public health and safety." GE advised that each Tarapur unit requires two detectors and that as of September 27 one detector was inoperative and was scheduled for replacement in October with the only available spare and that two other detectors were marginal and should be replaced in December.

The staff has confirmed that the detectors covered by XCOM0250 are essential to the safe operation of the Tarapur reactors (see NRR comments at Appendix C). As NRR's comments indicate, calibration of the Local Power Range Monitors in U.S. BWRs, a function performed by the detector, is required once each effective full power month. If a detector is inoperable this calibration cannot be performed and without relief from NRC Technical Specification requirements, continued reactor operations in the U.S. would not be permitted. Accordingly, it is the judgment of the staff that GE's request to export six detectors to Tarapur is reasonable and necessary for the continued safe operation of that facility.

Despite this conclusion, however, substantive questions remain concerning whether component exports to Tarapur meet the export licensing criteria of the Nuclear Non-Proliferation Act (NNPA). No matter how important the components may be from a health and safety standpoint, this consideration, in itself, cannot directly affect the Commission's conclusions regarding the NNPA licensing criteria. Safe reactor operations are not related to the criteria in section 109.b. of the Atomic Energy Act, as amended.

At this time, neither the Executive Branch nor the Indian Government has requested expeditious action on the component cases. Nevertheless, the staff believes it is important that the Tarapur component licensing issue be brought to the Commission's attention as a matter of potential concern. Unless directed otherwise by the Commission, the staff intends to continue to defer action on all Tarapur component cases until after receipt of the requested Executive Branch assessment.

Coordination: ELD has no legal objection.


James R. Shea, Director
Office of International Programs

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Enclosures:

1. Appendix A - Executive Branch
views dtd 6/11/79 and 10/22/79
2. Appendix B - General Electric
ltr dtd 10/1/79
3. Appendix C - NRR comments

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APPENDIX A

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DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

XCOM0240
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EXPORT/IMPORT
AND
INTERNATIONAL SAFEGUARDS

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U.S. NRC

Mr. James R. Shea
Director of International Programs
United States Nuclear Regulatory Commission
Room 6714 - MNBB
Bethesda, Maryland

Dear Mr. Shea:

I refer to your letter dated May 9, 1979, requesting Executive Branch views as to whether issuance of an export license in accordance with the application hereinafter described would be inimical to the common defense and security of the United States:

NRC No. XCOM0240 -- Application by General Electric Company for authorization to export to India thermal sleeves for control rods, guide tubes, ion chambers control rod drive parts, recorder parts, refueling platform control parts, an index drive system, IRM drive systems, and pump bearing assemblies specially designed or prepared for use in the Tarapur nuclear power reactors. Total value of these parts is \$180,000.

It is the judgment of the Executive Branch that the export contemplated will not be inimical to the common defense and security of the United States, and that this export is consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978.

Moreover, as stated in my letter to you dated March 27, 1979, it is the view of the Executive Branch that the generic assurances provided by the Embassy of India by letter dated March 23, 1979 meet the criteria under Section 109 b. for exports of reactor components by confirming that the following provisions apply to such exports: 1) IAEA safeguards will be applied to the special

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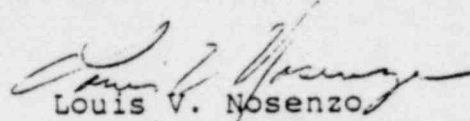
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nuclear material produced through the use of supplied equipment or material for the Tarapur Atomic Power Station (TAPS); 2) the special nuclear material or equipment supplied for use in TAPS or produced through the use of such material or equipment will be devoted exclusively to the needs of TAPS (and therefore not utilized for the production or research and development of any nuclear explosive device); and 3) no equipment, material or device supplied by the U.S. for use at the TAPS will be transferred to unauthorized persons or beyond the jurisdiction of the Government of India.

On the basis of the foregoing, the Executive Branch recommends that the license be issued.

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary



DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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Mr. James R. Shea
Director of International Programs
United States Nuclear Regulatory Commission
Room 6714 - MNBB
Bethesda, Maryland

EXPORT/IMPORT
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Dear Mr. Shea:

I refer to your letter dated May 15, 1979, request-
ing Executive Branch views as to whether issuance of an
export license in accordance with the application here-
inafter described would be inimical to the common defense
and security of the United States:

NRC Nos. XCOM0250 -- Application by General
Electric Company for authorization to export
to India six traversing incore probe detector
assemblies specially designed and prepared
for the Tarapur nuclear power reactors. Total
value of these parts and components is \$112,000.

It is the judgment of the Executive Branch that the
export contemplated will not be inimical to the common
defense and security of the United States, and that the
export is consistent with the provisions of the Atomic
Energy Act of 1954, as amended by the Nuclear Non-Prolif-
eration Act of 1978.

Moreover, as stated in my letter to you dated March
27, 1979, it is the view of the Executive Branch that the
generic assurances provided by the Embassy of India by
letter dated March 23, 1979 meet the criteria under
Section 109 b. for exports of reactor components by con-
firming that the following provisions apply to such ex-
ports: 1) IAEA safeguards will be applied to the special
nuclear material produced through the use of supplied
equipment or material for the Tarapur Atomic Power Station
(TAPS); 2) the special nuclear material or equipment sup-
plied for use in TAPS or produced through the use of such

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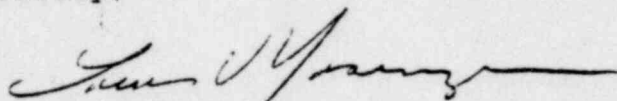
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material or equipment will be devoted exclusively to the needs of TAPS (and therefore not utilized for the production or research and development of any nuclear explosive device); and 3) no equipment, material or device supplied by the U.S. for use at the TAPS will be transferred to unauthorized persons or beyond the jurisdiction of the Government of India.

On the basis of the foregoing, the Executive Branch recommends that the licenses be issued.

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary

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APPENDIX B

POOR ORIGINAL

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