



DEPARTMENT OF STATE

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

OFFICE OF
INTERNATIONAL
PROGRAMS

JUN 15 1979

XCOM0224
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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 April 18, 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. XCOM0224 -- Application by Mitsui and Company (U.S.A.) for authorization to export to Japan zircaloy-2 tube shells to be used as fuel cladding by Sumitomo Metal Industries, Ltd. for fabrication of fuel for Unit 1 of Fukushima I Nuclear Power Station in Japan.

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.

As an NPT party, Japan has committed itself to maintaining IAEA safeguards on all of its peaceful nuclear activities and has pledged not to use any nuclear export for production or research and development of any nuclear explosive device, two of the three criteria required to be met for exports of reactor components under Section 109 of the Atomic Energy Act, as amended. The remaining criterion, agreement not to retransfer any U.S.-supplied component without prior U.S. consent, has been satisfied by the receipt of an assurance letter from the Embassy of Japan, the subject of my letters to you dated October 20, 1978 and March 13, 1979.

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

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary

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