

DEPARTMENT OF STATE

ACC Xcom 0142 Amendment No. 0,

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFRAIRS 4 PH & 25

JUN 0 1 1979

EXPORT/IMPORT INTERNAT'L SFGRO.

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 13,1979, requesting Executive Branch views as to whether amendment 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. XCOM0142 Amendment No. 1 -- Application by Westinghouse Electric Corporation for amendment of license XCOM0142 to add new ultimate consignees in France for the export of nuclear reactor components including reactor internals, pressure tubes, zirconium tubes, control rod drive mechanisms, parts and components for fuel charging and discharging machines, control rods and primary coolant pumps, and various other parts and components specially designed or prepared for use in nuclear reactors. Intermediate consignee is Framatome in France. New ultimate consignees are: Chinon 1 & 2 in Indre-et-Loire, Cruas 1, 2, 3, & 4 in Ardeche, St. Maurice 1 & 2 in Isere, Flomanville 1 & 2 in Manche and Cattenom 1 & 2 in Moselle.

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.

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As France is a nuclear weapons state member of the European Community (EURATOM), the first criterion required for the export of reactor components under Section 109b. of the Atomic Energy Act, as amended, IAEA safeguards, does not apply. However, nuclear exports to France are subject to EURATOM safeguards under Article V of the Additional Agreement for Cooperation of 1960, as amended, which incorporates Articles XI, XII and Annex B of the November 8, 1958 Joint Program Agreement, as amended. In accordance with Article V, the European Community undertakes the responsibility for establishing and implementing a safeguards and control system designed to give maximum assurance that any nuclear material supplied by the U.S. or generated from such supply will be used solely for peaceful purposes (EURATOM Safeguards System).

The second and third criteria have been met for France by specific assurances contained in a letter from the Delegation of the Commission of the European Communities, the subject of my letter to you dated February 1, 1979. These assurances exclude nuclear explosive use for any of these U.S. exports and confirm the right of prior U.S. consent for any retransfers outside of the Community.

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

Sincerely,

Louis V. Nosenzo

Deputy Assistant Secretary