



DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL  
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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EXPORT/IMPORT  
AND  
INTERNAT'L SFGDRS

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 June 1, 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. XCOM0258 -- Application by General Electric Co. for authorization to export to Italy one fuel grapple assembly and modification kit specially designed or prepared for use in the Garigliano Nuclear Power Plant. The total value of the proposed export is \$195,000.

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.

As noted in my letter dated February 1, 1979, the United States received assurances, by letter dated January 25, 1979, from the Delegation of the Commission of the European Communities for all EURATOM Member States. The Delegation letter confirms that U.S. exports to the European Community of nuclear components specially designed or prepared for use in a nuclear facility, deuterium (including heavy water) and reactor grade graphite (as detailed in 10 CFR 110): A) fall within the category of "material, including equipment and devices" in Article XI

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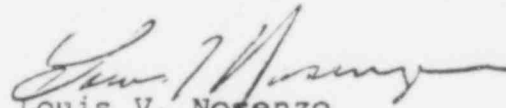
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of the Agreement for Cooperation Between the United States and EURATOM, as amended; B) will be transferred under the U.S.-EURATOM Cooperation Agreement and thus be subject to the guarantees in that article; and C) therefore, the criteria set forth in Section 109 b. of the Atomic Energy Act, as amended, are met. These guarantees include a pledge of no explosive use and no retransfer beyond the jurisdiction of the Community without prior U.S. approval.

Moreover, as an NPT party, Italy 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.

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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