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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

XB001037
11000737

Dear Mr. Shea:

I refer to your letter dated July 31, 1979, request-
ing Executive Branch views as to whether issuance of an
export license in accordance with the application herein-
after described would be inimical to the common defense
and security of the United States and whether the pro-
posed export meets the applicable criteria in the Atomic
Energy Act, as amended by the Nuclear Non-Proliferation
Act of 1978.

NRC No. XB001037 -- Application by Micro
Display-Systems, Inc. to export to Condition
Two Countries over a five-year period a total
of 200,000 curies of tritium incorporated in
luminous sources assembled in electronic
timepieces.

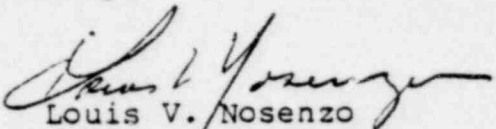
It is the opinion of the Executive Branch that the
proposed export may be made without being subject to the
terms of an Agreement for Cooperation since byproduct
material may be licensed under Sections 81 and 82 of the
Atomic Energy Act without the prerequisite of a Section
123 Agreement. Further, it is the judgment of the Execu-
tive Branch that the byproduct material export contem-
plated will not be inimical to the common defense and
security of the United States; provided that: 1) the
validity of the license be limited to 60 months from the
date of issuance; 2) the license is limited to authorize
a total export of 200,000 curies; 3) no individual ship-
ment exceeds 1,000 curies; and 4) only the export of
tritium incorporated in luminous sources assembled into
watches is authorized; and 5) no individual watch contain
more than 200 millicuries of tritium.

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The Executive Branch has concluded 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. A detailed analysis is believed unnecessary in this case because of the relatively small quantity of material involved per shipment, the dispersed form of the material and the non-nuclear end-use.

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

Sincerely,


Louis V. Nosenzo
Deputy Assistant Secretary