DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL P1:20 ENVIRONMITTAL AND SCIENTIFIC AFFAIRS

OFFICE OF INTERNATIONAL APR 1 1 1979 PROGRAMS

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

Xcom 0150

Dear Mr. Shea:

I refer to your letter dated February 13, 1979, for Executive Branch views on 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, and whether the proposed export meets the applicable criteria in the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XCOM0150 — Application by Westinghouse for authorization to export to Japan nuclear reactor components including pressure tubes, zirconium tubes, reactor internals, control rod drive mechanisms and components and parts for fuel charging and discharging machines, control rods, and primary coolant pumps specially designed for use with nuclear reactors and specially designed parts and accessories, valued at \$273,000,000. Components will be used in the Kansai Electric Power Company's Mihama 1, 2, 3; Takahama 1, 2, 3, 4; Ohi 1 and 2 Power Reactors and Kyushu Electric Power Company Genkai 1 and 2; and Sendai 1; and Shikoku Electric Power Company's Ikata 1 and 2 nuclear power reactors 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 re-

quired to be met for a ports of reactor components under Section 109 of the Atomic Energy c, 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.

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

Sincerely,

Louis V. Nosenzo Deputy Assistant Secretary