



DEPARTMENT OF STATE

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

OFFICE OF
INTERNATIONAL
PROGRAMS

APR 11 1979

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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 letters dated February 13, 1979, requesting Executive Branch views as to whether issuance of export licenses in accordance with the applications hereinafter described would be inimical to the common defense and security of the United States:

NRC Nos. XCOM0158, 159 and 163 -- Applications by Mitsui & Co. (U.S.A.) for authorization to export to Japan zircaloy 2 and 4 tube shells for use as fuel cladding for Unit 1 of Fukushima II, operated by the Tokyo Power Company; the Kansai Electric Power Company's Takahama 2; Power Reactor and Kyushu Electric Power Company's Genkai 1; and Shikoku Electric Power Company's Ikata 1 nuclear power reactors in Japan.

It is the judgment of the Executive Branch that the exports contemplated will not be inimical to the common defense and security of the United States, and that these exports are consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1976.

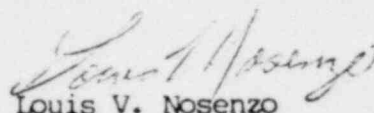
As an NPT party, Japan has committed itself to maintaining IAEA safeguards on all of its peaceful nuclear activities and has pledged not to use any nuclear export for production or research and development of any nuclear explosive device, two of the three criteria required to be met for exports of reactor 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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- 2 -

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Louis V. Nosenzo".

Louis V. Nosenzo
Deputy Assistant Secretary