



DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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U.S. NRC
1979 FEB 6 PM 2 50

February 5, 1979

EXPORT/IMPORT
AND
INTERNAT'L SFGRODS

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 October 11, 1978, 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. XMAT0012 -- Application by General Atomic Company for authorization to export to France 1,080⁰ pounds of nuclear grade graphite valued at \$1,000. The intermediate consignee is Commissariat a l'Energie Atomique in Paris. The ultimate consignee is A. Ballagny of Saclay, France.

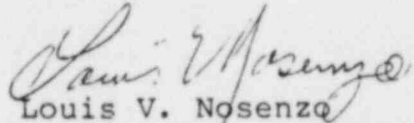
It is the judgment of the Executive Branch that the export contemplated will not be inimical to the common defense and security of the United States, and that the export is consistent with the provisions of the Atomic Energy Act of 1954, as amended, by the Nuclear Non-Proliferation Act of 1978.

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. 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, a copy of which is enclosed. 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.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Louis V. Nosenzo", written in a cursive style.

Louis V. Nosenzo
Deputy Assistant Secretary

Enclosure:
Assurance letter

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Wiem
DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

January 25, 1979

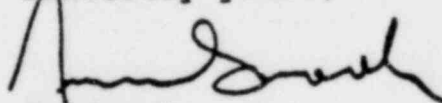
Mr. Louis V. Nosenzo
Deputy Assistant Secretary
Nuclear Energy & Energy Technology Affairs
Department of State
Washington, D.C. 20520

Dear Mr. Nosenzo:

I acknowledge receipt of your letter of January 25, 1979 regarding 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).

I can confirm that it is also the understanding of the Commission of the European Communities (a) that the above mentioned items fall within the category of "material, including equipment and devices" in Article XI of the Agreement for Cooperation between the United States and Euratom, signed at Brussels, November 8, 1958, as amended; (b) that these items will be transferred under the U.S.-Euratom Cooperation Agreements and thus be subject to the guarantees in this article; and (c) that, therefore, the criteria set forth in section 109 b of the Atomic Energy Act and section 110.42(b) of the NRC regulations are met with respect to these items.

Sincerely yours,



F. Spaak
Head of Delegation

MG/ajs