



DEPARTMENT OF STATE
Washington, D.C. 20520

ACU XCOM0393
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MAY 16 1980

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

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EXPORT/IMPORT
INTERNATIONAL SFGROS

MAY 15 1980

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

Dear Mr. Shea:

I refer to the letter from your office dated April 18, 1980, 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, 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. XCOM0393 -- Application by Westinghouse Electric Corporation for authorization to export to Australia one incore fission chamber of a total value of \$2,415.00 for use in the Australian Atomic Energy Commission's research reactor HIFAR at Lucas Heights.

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, Australia has committed itself to maintaining IAEA safeguards on all of its peaceful nuclear activities and has pledged not to produce or otherwise acquire any nuclear explosive device. It is therefore the judgment of the Executive Branch that criteria (1) and (2) for exports of reactor components under Section 109 b of the Atomic Energy Act, as amended, are met. The remaining criterion, agreement not to retransfer any U.S.-supplied

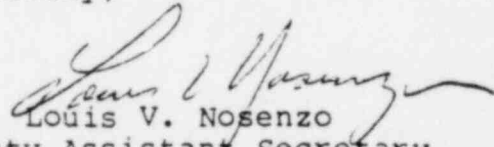
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component without prior U.S. consent, has been satisfied by the receipt of an assurance letter from the Embassy of Australia, a copy of which is enclosed.

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

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary

Enclosure:
Assurance letter



MAY 14 1980

EMBASSY OF AUSTRALIA

IN REPLY QUOTE: AE7.1135
13/3/F4

8 May 1980

Mr. Louis V. Nosenzo
Deputy Assistant Secretary
Bureau of Oceans and International
Environmental & Scientific Affairs
Department of State
WASHINGTON D.C. 20520

Dear Mr. Nosenzo,

In response to your letter of April 28, 1980, regarding NRC Application No. XCOM 0393 (Reference NRC No. XSNM 01651) and the criteria that must be met as a condition of issuance of NRC export licenses, I have received the following information by cable from the Australian authorities:

"We confirm that the incore fission chamber ordered by the University of NSW will not be retransferred without the prior approval of the United States, in accordance with Article 11(B) of the 1957 Agreement between Australia and the USA for co-operation concerning the civil uses of atomic energy."

I have also been advised that the Australian authorities soon will provide a reply to your letter of December 18, 1978, regarding a generic assurance concerning retransfers.

With reference to para 1 of your April 28 letter, I wish to clarify the information presented in the NRC export license application, namely, that the University of New South Wales School of Nuclear Engineering intends to use the incore fission chamber in the Australian Atomic Energy Commission's research reactor HIFAR which is located at the AAEC Research Establishment at Lucas Heights (near Sydney).

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'R. J. Knight'.

R. J. Knight
Counsellor (Atomic Energy)

RJK/Img