



DEPARTMENT OF STATE

Washington, D.C. 20520

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

OFFICE OF
INTERNATIONAL
PROGRAMS

May 13, 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 March 19, 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, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XCOM0381 -- Application by Carpenter Technology Corporation for authorization to export to India 160 zircaloy-4 fuel channels specially designed and prepared for the Tarapur nuclear power reactors. Total value of these parts and components is \$738,720.

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.

Moreover, as stated in my letter to you dated March 27, 1979, it is the view of the Executive Branch that the generic assurances provided by the Embassy of India by letter dated March 23, 1979 meet the criteria under Section 109 b. for exports of reactor components by confirming that the following provisions apply to such exports: 1) IAEA safeguards will be applied to the special nuclear material produced through the use of supplied equipment or material for the Tarapur Atomic Power Station (TAPS); 2) the special nuclear material

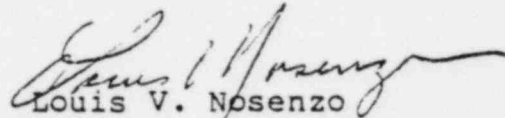
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or equipment supplied for use in TAPS or produced through the use of such material or equipment will be devoted exclusively to the needs of TAPS (and therefore not utilized for the production or research and development of any nuclear explosive device); and 3) no equipment, material or device supplied by the U.S. for use at the TAPS will be transferred to unauthorized persons or beyond the jurisdiction of the Government of India.

On the basis of the foregoing and the considerations set forth in my letters and memorandum of May 7, 1980, regarding requests Nos. XSNM01379 and XSNM01569, the Executive Branch recommends that the license be issued.

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary