



DEPARTMENT OF STATE

Washington, D.C. 20520

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U.S. NRCBUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS
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EXPORT/IMPORT
AND
INTERNAT'L SFGROD

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 19, 1979, 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. XCOM0315 -- Application by Chase Nuclear Division of Chase Brass & Copper Company, Inc. for authorization to export to Romania via Canada zirconium-niobium coolant tubes, valued at \$2,600,000, for use in the Cernavoda 1 Nuclear Power Station.

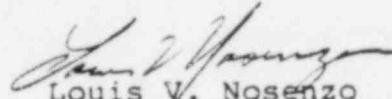
It is the judgment of the Executive Branch that the contemplated component export will not be inimical to the common defense and security of the United States and is consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978.

As stated in my letter to you dated June 23, 1980, the Government of Canada, by Note No. 190, dated May 9, 1980, has confirmed receipt of assurances from the Government of Romania that exports for use in the Cernavoda Nuclear Power Station would be subject to IAEA safeguards, would not be used for nuclear explosives or for research and development of nuclear explosives and would not be retransferred from Romania without the prior consent of the Government of Canada. I also pointed out that Canadian Note No. 190 included an assurance that no such retransfer would be permitted by Canada without prior U.S.G. consent.

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

Sincerely,



Louis V. Nosenzo
Deputy Assistant Secretary