

DEPARTMENT OF STATE

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

19 MAY 1981



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

Dear Mr. Shea:

I refer to the letter from your office dated March 31, 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 of the Atomic Energy Act as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XCOM0385 — Application by Teledyne Wah Chang Albany for authorization to export to Argentina a total of 237,000 pounds of zircaloy tubes, valued at \$4,835,000. 166,320 pounds is intended for use in the FRG-supplied Atucha I nuclear power plant and 71,280 pounds is intended for the Canadian-supplied Embalse nuclear power plant. Fabrication will take place in Argentina.

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, provided that the license is limited at this time to authorize only the export of 166,320 pounds of zircaloy tubing for the Atucha I reactor.

The United States has received assurances from the Government of Argentina by notes (copies enclosed) dated November 18, 1980 and January 6, 1981, addressed to U.S. Embassy, Buenos Aires, confirming that the proposed export will be exclusively used for Atucha I and Embalse nuclear plants and will not be retransferred outside its jurisdiction without the prior consent of the United States Government.

The Atucha I facility is under IAEA safeguards and is covered by Argentine Government assurances to the supplier country, i.e., the FRG, including a pledge of no nuclear explosive use. The zircaloy tubing for Atucha I will be fabricated into fuel assemblies in the Ezeiza fabrication plant under IAEA safeguards.

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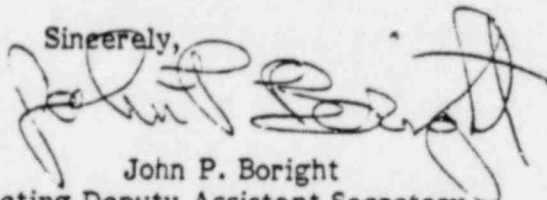
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Therefore, it is the view of the Executive Branch that the requirements of Section 109 of the Nuclear Non-Proliferation Act have been met with respect to this export to Argentina for the Atucha I facility. We are continuing to review the issues relating to the export for the Embalse facility and will advise you when that review is completed.

On the basis of the foregoing, the Executive Branch recommends that the license be issued subject to the proviso stipulated above.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John P. Boright', is written over the typed name.

John P. Boright
Acting Deputy Assistant Secretary

Enclosures:

Texts of Argentine Assurances

ACTION
is assigned to

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The Ministry of Foreign Affairs and Worship - Department of International Agencies - presents its compliments to the Embassy of the U.S. of America and has the honor to refer to the Minister's note No. 3341 of Nov. 6, 1980.

In confirmation of this note, the Ministry informs that the zircaloy tubes to be provided by Teledyne Wah Chang Albany Co for the reactors of Atucha I and Embalse will be exclusively used for the Atucha I and the Embalse power reactor centers.

The Ministry takes this opportunity to renew to the Embassy the expressions of its highest consideration.

Buenos Aires, January 6, 1981

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DEPARTMENT OF STATE



El Ministerio de Relaciones Exteriores y Culto -Departamento Organismos Internacionales- presenta sus atentos saludos a la Embajada de los Estados Unidos de América y tiene el agrado de referirse a la nota de este Ministerio número 3341 de fecha 6 de noviembre de 1980.

Al respecto, y confirmando los términos de la misma, este Ministerio desea manifestar que los tubos de circaloy a ser suministrados por la empresa "Teledyne Wah Chang Albany Co" para su utilización en los reactores de potencia de las centrales Atucha I y Embalse serán utilizados exclusivamente en los reactores de potencia de las centrales Atucha I y Embalse.

El Ministerio de Relaciones Exteriores y Culto -Departamento Organismos Internacionales- reitera a la Embajada de los Estados Unidos de América las seguridades de su mayor consideración.

BUENOS AIRES, 6 de enero de 1981.-



A LA EMBAJADA DE LOS ESTADOS UNIDOS DE AMERICA
BUENOS AIRES

RRD

DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

LS NO. 100404
CW/MM
Spanish

Ministry of Foreign Relations

No. 3341

Buenos Aires, November 6, 1980

Reference: Note. No. 389 of
October 14, 1980

The Ministry of Foreign Relations, Department of International Agencies, presents its compliments to the Embassy of the United States of America and has the honor to refer to its note No. 389 of October 14, 1980.

In this connection the Ministry informs the Embassy that the Government of the Argentine Republic agrees to the request made and gives its assurances that the tubes to be supplied by the Teledyne Wah Chang Albany Company will be used in the nuclear reactors of the Atucha I and Embalse power plants and will not be transferred outside the jurisdiction of the Republic without the prior consent of the United States Government. This agreement applies to the XCOMO 385 export application submitted by Teledyne Wah Chang Albany Company with regard to the supply of zircaloy tubes for the Atucha I and Embalse nuclear plants.

Embassy of the United States of America
Buenos Aires.

The Ministry of Foreign Relations, Department of International Agencies, renews to the Embassy of the United States of America the assurances of its most distinguished consideration.

[Initialed]

[Ministry stamp]

BUENOS AIRES, 6 de Noviembre de 1980.-

OBJETO: Nota 389 del 14/X/80.-

El Ministerio de Relaciones Exteriores y Culto -Departamento Organismos Internacionales- presenta sus atentos saludos a la Embajada de los Estados Unidos de América y tiene el agrado de referirse a su nota N°389 del 14 de Octubre de 1980.

tubos
Al respecto, este Ministerio desea transmitir a esa Embajada que el Gobierno de la República Argentina acepta lo solicitado, asegurando que los tubos que suministrará la empresa "Teledyne Wah Chang Albany Co." serán utilizados en los reactores nucleares de potencia de las centrales Atucha I y Embalse, y no serán transferidos fuera de la jurisdicción de la República sin el previo consentimiento del Gobierno Norteamericano. Tal asentimiento se entiende para la solicitud de exportación XCOMO 385 presentada por la firma "Teledyne Wah Chang Albany Co." para la provisión de tubos de circaloy destinados a las Centrales Nucleares Atucha I y Embalse.

El Ministerio de Relaciones Exteriores y Culto -Departamento Organismos Internacionales- reitera a la Embajada de los Estados Unidos de América las seguridades de su más distinguida consideración.



ESTE PCB.: 11/13/80

ACTION: Seicht

LETRA:

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A LA EMBAJADA DE LOS ESTADOS UNIDOS DE AMERICA
BUENOS AIRES