



DEPARTMENT OF STATE

Washington, D.C. 20520

ACC XCOM0494
11002381

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

RECEIVED
FEB 27 PM 2 C-

FEB 26 1981



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 February 24, 1981, 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. XCOM0494 — Application by Combustion Engineering, Incorporated for authorization to export to Spain four subcooled margin monitors specially designed or prepared for nuclear reactor use, for the primary coolant system of Units 1 and 2 of the Lemoniz Nuclear Power Plant. Total value of these parts is \$120,000.

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 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 January 31, 1979, it is the view of the Executive Branch that the generic assurances provided by the Spanish Government by letter to U.S. Embassy, Madrid, January 23, 1979, meet the criteria under Section 109 B. for exports of reactor components by confirming that the items specified in Appendix A of 10 CFR 110 will be included under the definition, "material including equipment and devices" cited in Article X of the 1974 U.S.-Spain Agreement for Cooperation, and are therefore subject to the guarantees in that article, including: 1) IAEA safeguards; 2) no nuclear explosive use; and 3) no retransfer without prior U.S. consent.

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

Sincerely,

Louis V. Nosenzo
Deputy Assistant Secretary

*Copy to PDR and ACC 2-27-81.1

8108130 202