



United States Department of State

Washington, D.C. 20520

PDR

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

XCOM0723
11003103
XCOM0722
11003102

April 12, 1983

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

EXPORT/IMPORT
GENERAL SECTIONS

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U.S. NRC

Dear Mr. Shea:

I refer to the letter from your office dated February 17, 1983, requesting Executive Branch views as to whether issuance of export licenses in accordance with the applications hereinafter described meet the applicable criteria in the Atomic Energy Act, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC Nos. XCOM0722 and XCOM0723 — Applications by General Electric Company for authorization to export to Belgium and the Federal Republic of Germany automatic pellet inspection equipment valued at \$2.5 million (for each system) to be used at the Belgonucleaire and ALKEM fuel fabrication facilities for the remote inspection of mixed oxide fuel pellets.

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

As noted in our letter dated February 1, 1979, the United States received assurances, by letter dated January 25, 1979, from the Delegation of the Commission of the European Communities for all EURATOM Member States. The Delegation letter confirms that U.S. exports to the European Community of nuclear components specially designed or prepared for use in a nuclear facility, deuterium (including heavy water) and reactor-grade graphite (as detailed in 10 CFR 110): A) fall within the category of "material, including equipment and devices" in Article XI of the Agreement for Cooperation Between the United States and EURATOM, as amended; B) will be transferred under the U.S.-EURATOM Cooperation Agreement and thus be subject to the guarantees in that article; and C) therefore, the criteria set forth in Section 109 b. of the Atomic Energy Act, as amended, are met. These guarantees include a pledge of no explosive use and no retransfer beyond the jurisdiction of the Community without prior U.S. approval

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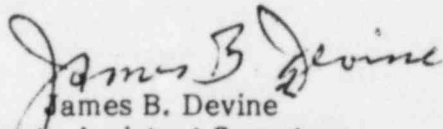
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Moreover, as NPT parties, Belgium and the FRG, have committed themselves to maintaining IAEA safeguards on all of their peaceful nuclear activities and have pledged not to produce or otherwise acquire any nuclear explosive device. It is therefore the judgment of the Executive Branch that criteria (1) and (2) for exports of reactor components under Section 109 of the Atomic Energy Act, as amended, are met.

Both Belgium and the FRG have large nuclear industries with breeder and advanced reactor research and development programs, reprocessing and mixed oxide fuel fabrication capability. Approval of these exports, therefore, would be in accordance with the President's nuclear policy statements of 1981 and 1982.

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

Sincerely,


James B. Devine
Deputy Assistant Secretary