



United States Department of the Interior
Washington, D.C.

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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

December 14, 1983

XMAT0290
11003347

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 November 4, 1983, requesting Executive Branch views as to whether issuance of an export license in accordance with the application hereinafter described meets the applicable criteria in the Atomic Energy Act, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XMAT0290 — Application by Union Carbide Corporation to authorize export to Japan of 231,171 pounds of nuclear grade graphite valued at \$833,024.00 for manufacture of parts for the Hendel high temperature gas reactor currently under construction by the Japan Atomic Energy Research Institute.

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.

As an NPT party, Japan has committed itself to maintaining IAEA safeguards on all of its peaceful nuclear activities and has 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. The remaining criterion, agreement not to retransfer any U.S.-supplied component without prior U.S. consent, has been satisfied by the receipt of an assurance letter from the Embassy of Japan, the subject of our letters to you dated October 20, 1978 and March 13, 1979.

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

Sincerely,

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PDR XPORT
XMAT-0290 PDR

Fred McGoldrick
Fred McGoldrick, Acting
Deputy Assistant Secretary

Copy to PDR 12-16-83

Shea, Zimmerman, Peterson, Moore, J. Becker / ELD