



PDR XMAT0316
United States Department of State

Washington, D.C. 20520

Received in
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BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

April 3, 1985

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 February 27, 1985, 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:

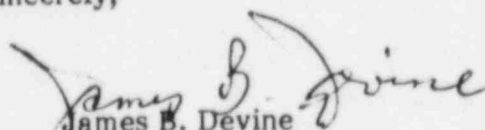
NRC No. XMAT0316 — Application by Aldrich Chemical Company to authorize export to Canada of 2,500 kilograms of heavy water for upgrading in Canada by Ontario Hydro and return to the U.S.

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, Canada 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 nuclear components, substances and items under Section 109 of the Atomic Energy Act, as amended, are met. The remaining criterion, agreement not to retransfer any U.S.-supplied component, substance or item without prior U.S. consent, has been satisfied by the receipt of generic assurance letters from the Embassy of Canada dated July 7, 1978 and December 15, 1978, the subject of our letter to you dated February 5, 1979.

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

Sincerely,


James B. Devine
Deputy Assistant Secretary

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