



United States Department of State

Washington, D.C. 20520-1201

1997 AUG 12 PM 12:02

August 8, 1997

Mr. Carlton R. Stoiber
Director, International Programs
United States Nuclear Regulatory Commission
Rockville, Maryland

Dear Mr. Stoiber:

I refer to the letter from your office dated July 23, 1997, requesting the views of the Executive Branch as to whether issuance of an export license in accordance with the application hereinafter described meets the applicable criteria of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XCOM1104 -- Philips Electronics N.A. Corporation has applied for authorization to export to Canada approximately 480 kilograms of molybdenum fabricated parts for carriers for transporting uranium oxide fuel pellets through sintering furnaces for nuclear fuel production by Zircotec Precision Industries, Inc. of Port Hope, Ontario.

It is the judgment of the Executive Branch that the proposed export 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 a party to the NPT, Canada has committed itself to maintain IAEA safeguards on all of its peaceful nuclear activities and has pledged not to produce or otherwise acquire any nuclear explosive device, therefore satisfying criteria (1) and (2) of Section 109b of the Atomic Energy Act, as amended, for exports of nuclear components, substances and items. 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 written assurances 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,

Richard J.K. Stratford
Director

Office of Nuclear Energy Affairs



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