



United States Department of State

Washington, D.C. 20520

December 9, 1999

PDR
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NMSS
DOE/OR
NAC/NMSS

Mr. Ronald D. Hauber, Director
Division of Nonproliferation, Exports
And Multilateral Relations
Office of International Programs
United States Nuclear Regulatory Commission
Rockville, Maryland

XCOM 1133

Dear Mr. Hauber:

I refer to your letter dated November 10, 1999, 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:

NRC No. XCOM1133 -- General Electric Company (GE) has applied for authorization on behalf of Global Nuclear Fuel - Americas, L.L.C. (GNF-A), a joint venture being formed by GE, Hitachi Ltd. and Toshiba Corporation, to export to any of the countries or destinations listed in 10 CFR Part 110.26(a), components described in 10 CFR Part 110 Appendix A, paragraphs (5) through (9). GNF-A will export fuel components such as channels and zirconium tubes. GE will continue to export replacement and warranty parts, testing equipment, tools and components used for nuclear plant maintenance and service. Both GNF-A and GE will be exporting components for use in nuclear power plants, as well as for testing, qualification, models, training and for further manufacturing.

It is the judgment of the Executive Branch that the proposed exports 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.

All of the countries listed in 10 CFR Part 110.26 are parties to the NPT. The authorities on Taiwan consider themselves bound by the obligations of the NPT and the U.S. considers them so bound. The listed non-nuclear weapon states, as well as Taiwan, have committed themselves to maintain IAEA safeguards on all of their peaceful nuclear activities and 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 listed nuclear weapon states have committed to not to utilize transferred components, substances or items for any nuclear explosive or other military purpose. 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 governments of the listed countries, from Euratom for Euratom member states, or from TECRO in the case of Taiwan, copies of which have been previously furnished to the NRC.

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

Sincerely,

Robin DeLaBarre
Office of Nuclear Energy Affairs

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