



~~CONFIDENTIAL~~
UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

#27

JUN 13 1984

MEMORANDUM FOR: James R. Shea, Director
Office of International Programs

FROM: Robert F. Burnett, Director
Division of Safeguards, NMSS

SUBJECT: TRANSFER OF NUCLEAR TECHNOLOGY TO THE PEOPLE'S
REPUBLIC OF CHINA (10 CFR PART 810)

- (U) We have reviewed the proposed 810 application dated April 12, 1984, from Westinghouse, and we identified no international safeguards concern that would prevent approval of this application. Our review is limited to the consideration of international safeguards since foreign physical protection is not included in the factors to be taken into account under Part 810.
- (C) The PRC is a nuclear weapons state that is not a party to the NPT. On January 1 of this year, the PRC became a member of the IAEA. At this time the PRC does not have IAEA safeguards on any of its nuclear activities. The Chinese have stated that IAEA safeguards are only appropriate for non-weapon states. The DOE analysis indicates that,
- "It is uncertain whether the PRC will accept IAEA Safeguards on any nuclear reactors or fuel fabrication facilities that might be constructed using Westinghouse technology. However, the recently concluded US/China Agreement for Cooperation provides for a system of assurances for nuclear material produced using U.S. technology."
- (C) Our review is based on the Department of State obtaining a government-to-government understanding "That any information or technology transferred to the Chinese by Westinghouse will not be retransferred beyond their territory unless the respective governments agree. This government-to-government understanding should also contain no-nuclear-explosive-use and no-military-use provisions," as proposed in the DOE analysis as a condition for approval.

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Robert F. Burnett, Director
Division of Safeguards, NMSS

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Theodore S. Sherr, SGMT

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