



United States Department of State

Washington, D.C. 20520

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

PD12
XMAT0319

November 21, 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 July 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. XMAT0319 - Application by Mor-Wear Industries, Incorporated, for authorization to export to the United Kingdom for use in the U.K. and re-export to various countries (listed in the application) a total for all countries combined of 400 metric tons of nuclear-grade graphite over a five-year period, or 80 tonnes a year, for various commercial and industrial applications. Approximately 227 kilograms of this graphite per year will be used for nuclear uses by various laboratories in the U.K. Re-exports from the U.K. will be for non-nuclear use only.

It is the judgement of the Executive Branch that the exports contemplated will not be inimical to the common defense and security of the United States, and that these exports are consistent with the provisions of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978, provided that: 1) individual pieces of graphite shipped under this license weigh no more than 500 kilograms; 2) individual re-export shipments would be limited to 1,000 kilograms; and 3) no more than 10 metric tonnes per year would be re-exported to any one country. Re-exports under this license would be limited to

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PDR XPORT
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EXPORT IMPORT
INTL SAFEGUARD

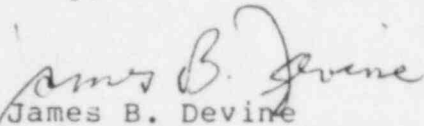
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countries which have provided generic assurances to meet the requirements of Section 109 b. with respect to retransfers. The countries listed in the application are: Belgium, Denmark, Ireland, Italy, Luxembourg, Netherlands, United Kingdom and West Germany which are covered by the EURATOM assurance dated January 25, 1979; and Spain, Sweden, and Switzerland, the governments of which have provided similar assurances.

On the basis of the foregoing, the Executive Branch recommends that the requested license be issued, conditioned in accordance with the provisos discussed above.

Sincerely,

A handwritten signature in dark ink, appearing to read "James B. Devine". The signature is fluid and cursive, with the first name "James" and last name "Devine" clearly distinguishable.

James B. Devine
Deputy Assistant Secretary
Nuclear Energy & Energy Technology Affairs