



United States Department of State

Washington, D.C. 20520
December 27, 1999

Ms. Janice Dunn Lee
Director, International Programs
United States Nuclear Regulatory Commission
Rockville, Maryland

Dear Ms. Lee:

I refer to the letter from your office dated September 3, 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 by the Nuclear Non-Proliferation Act of 1978:

NRC No. XCOM1131 – Siemens Power Corporation has applied for authorization to export to Brazil 1340 inconel springs worth \$3,500 for use by Industrias Nucleares do Brasil S.A. to fabricate fuel assemblies for the Unit 1 of the Angra Nuclear Power Station.

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, the Government of Brazil 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 a Diplomatic Note from the Brazilian Ministry of External Relations dated December 13, 1999, transmitting statements and certificates from the President of the National Nuclear Energy Commission, the Minister of State of Science and Technology, and the Industrias Nucleares do Brasil S.A, the federal, state-owned company which operates the Angra Nuclear Power Station.

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

Sincerely,

Robin DeLaBarre

Office of Nuclear Energy Affairs

Enclosure: Assurances from Brazilian MFA

DF03

PDR XPR XCOM1131

UNCLASSIFIED

Printed By: Robin D DeLaBarre 12/27/99 08:00:37 AM

BRASILIA 4543

From: AMEMBASSY BRASILIA
Subject: GOVERNMENT OF BRAZIL END-USE
ASSURANCES FOR NUCLEAR
COMPONENTS EXPORT: INCONEL SPRINGS

MR.#: 4543
ICNbr: TED0580

Date/Time: 211405Z DEC 99
Precedence: PRIORITY

Cable Text:
TED0580
ACTION PM-00

INFO	LOG-00	NP-00	CIAE-00	CIP-00	COME-00	CTME-00	DODE-00
	DOEE-00	WHA-01	EB-00	UTED-00	TEDE-00	INR-00	ADS-00
	AC-01	NRC-01	NSAE-00	NSCE-00	OES-01	OMB-01	ACE-00
	STR-00	TRSE-00	USIE-00	PMB-00	SAS-00	/005W	

-----1E00ED 211418Z /38

P 211405Z DEC 99
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC PRIORITY 8142
INFO AMCONSUL RIO DE JANEIRO PRIORITY
AMCONSUL SAO PAULO PRIORITY

UNCLAS SECTION 01 OF 02 BRASILIA 004543

STATE FOR PM/NE FOR ROBIN DELABARRE

E.O. 12958: N/A
TAGS: ETTC, KNNP, TRGY, ENRG, KSCA, BR
SUBJECT: GOVERNMENT OF BRAZIL END-USE ASSURANCES FOR
NUCLEAR COMPONENTS EXPORT: INCONEL SPRINGS

REF: STATE 187595

BRASILIA 01 OF 02 4543

1. (U) Embassy has received from the Ministry of External Relations a diplomatic note and attachments conveying the end-use assurances requested refTel in connection with U.S. authorization for Siemens Power Corporation to export to Brazil 1340 inconel springs plus spares for use by Industrias Nucleares do Brasil S.A. (INB) in the fabrication of fuel assemblies for Unit 1 of the Angra nuclear power station.

UNCLASSIFIED

UNCLASSIFIED

2. (U) Informal translation of MFA note number
DDS/DCS106/ENER-BRAS-EUA, dated December 13, 1999:

"The Ministry of External Relations presents its compliments to the Embassy of the United States of America and, with reference to the proposed import by Industrias Nucleares do Brasil S.A.- INB from Siemens Power Corporation of 1340 'inconel springs' and spares for Unit 1 of the Angra dos Reis nuclear power plant, has the honor to transmit, annexed hereto, the following guarantees of the Brazilian Government:

a) Statement signed by Dr. Jose Mauro Esteves dos Santos, President of the National Nuclear Energy Commission (CNEN), on November 11, 1999, accompanied by the Certificate of End Use signed by Dr. Ronald Araujo da Silva, Industrial Director of Industrias Nucleares do Brasil - INB, on November 8, 1999; and

b) Certificate signed by Ambassador Ronaldo Mota Sardenberg, Minister of State of Science and Technology, on November 23, 1999.

2. In relation to the operation in question, the Ministry of External Relations confirms, in addition, the following:

a) That the above-referenced material will be subject to the Agreement for Cooperation Between the Government of the United States of America and the Government of the Federative Republic of Brazil Concerning Peaceful Uses of Nuclear Energy, which entered into force on September 15, 1999, and which replaced the Agreement for Cooperation Concerning Civil Uses of Atomic Energy, signed on July 17, 1972, mentioned in the annexed guarantees;

b) That the material in question will not be used for military purposes, in conformity with the stipulation of Article VIII (2) of the referenced agreement; and

c) That the end user indicated in the statement above mentioned is authorized to receive and possess the material."

UNCLASSIFIED

UNCLASSIFIED

Brasilia, December 13, 1999

/s/

End of text of note

3. (U) Informal translation of attached "Certificate":

"I certify to the Government of the United States of America that the company Industrias Nucleares do Brasil S.A. - INB, the importer of the component parts for nuclear fuel assemblies, produced by Siemens Power Corporation, referred to in the Certificate of End Use, annexed, declared to the Ministry of Science and Technology that it will utilize the material in its industrial unit, located in the Municipality of Resende, State of Rio de Janeiro, to fabricate nuclear fuel assemblies for the ANGRA 1 Nuclear Power Plant and that this equipment will be used only for the purpose specified and according to the terms of said Certificate.

The Ministry of Science and Technology, MCT, assures that Industrias Nucleares do Brasil S.A., INB, a company whose majority shareholder is the National Nuclear Energy Commission, CNEN, a federal authority linked to the MCT, will fulfill all the commitments set forth in the certificates issued by INB and by CNEN, annexed, which I now ratify.

Brasilia, November 23, 1999

/s/

Ronaldo Mota Sardenberg
Minister of State of Science and Technology"

End of text of "Certificate"

UNCLASSIFIED

UNCLASSIFIED

BRASILIA . 02 OF 02 4543

4. (U) Begin original English text of attached "Statement":

The Brazilian Nuclear Energy Commission (Comissao Nacional de Energia Nuclear) - CNEN, Federal Agency, under the responsibilities of the Brazilian Ministry of Science and Technology (Ministerio da Ciencia e Tecnologia) - MCT, states that the Brazilian Nuclear Industries S/A (Industrias Nucleares do Brasil S/A) - INB will comply (sic) the terms of the attached certificate, dated November 8, 1999, sent to Siemens Power Corporation, referring to the supply of 1340 inconel springs and spares to be used in the fabrication of nuclear fuel assemblies for ANGRA 1 NPP (Certificate NRC No. XCOM1131).

CNEN as the main shareholder of INB and on the behalf of the Brazilian Government assures that the equipment described above will not be re-transferred or re-exported without the consent of the Government of the United States of America and it will not be used to produce nuclear explosive devices. This material will be subject to the Agreement for Cooperation between the Government of the United States of America and the Government of the Federal Republic of Brazil concerning Civil Uses of Atomic Energy which entered into force on September 20, 1972. Additionally, the nuclear power plant fuel assemblies produced with it will be under safeguards of the Brazilian-Argentine Agency for Accounting and Control of Nuclear Material (ABACC) and the International Atomic Energy Agency (IAEA).

Rio de Janeiro, November 11th, 1999

/S/

Jose Mauro Esteves dos Santos
Chairman
Brazilian Nuclear Energy Commission
CNEN*

End text of "Statement."

UNCLASSIFIED

UNCLASSIFIED

5. (U) Begin original English text of attached "End-Use Statement":

Industrias Nucleares do Brasil S.A. - INB, a federal state owned company under the responsibility of the Brazilian Ministry of Science and Technology, states that the 1340 inconel springs and spares, of U.S. origin, to be exported by Siemens Power Corporation, will be used in the fabrication of nuclear power plant fuel assemblies for Unit 1 of Angra NPP.

INB assures that the springs to be supplied by Siemens Power Corporation will not be used in any other reactor without the consent of the U.S. Government, will not be used for any military purpose and will not be used to produce nuclear explosive devices. The material, which will not be retransferred or reexported to any other nation or group of nations or to any territory outside the jurisdiction of Brazil without the consent of the U.S. Government, will be subject to the AQT for Cooperation between the Government of the United States of America and the Government of the Federative Republic of Brazil concerning the Civil Uses of Atomic Energy, which entered into force on September 20, 1972.

Rio de Janeiro, November 8, 1999
/S/

Ronald Araujo da Silva
Industrial Director

End text of End-Use Statement

6. (U) Embassy will pouch the Department the original note and attachments to the attention of NP/NEA - R. Delabarre.

GALLUCCI
NNNN

End Cable Text

Printed By: Robin D DeLaBarre 12/27/99 08:00:37 AM

UNCLASSIFIED
6