

 **Mitsubishi International Corporation****NEW YORK OFFICE**

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April 21, 2008

By U.S. Mail and Fax: 301-415-5387

Deputy Director
Office of International Programs
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
Attention: Licensing

Re: Mitsubishi International Corporation - Graphitar Rings for End Use in Qinshan Power Plant, People's Republic of China

To Whom It May Concern:

It has come to our attention that certain Graphitar Rings exported in 1998 by Mitsubishi International Corporation ("MIC") to an unaffiliated entity, Mitsubishi Heavy Industries ("MHI"), in Japan appear to have been integrated into nuclear reactor cooling pumps, that were then delivered by MHI to a commercial nuclear power plant in China, called the Qinshan power plant. We have only recently learned of this activity, and are actively conducting an investigation to learn more details. Although MIC's shipments occurred ten years ago, we nonetheless wanted to bring this matter to your attention.

Based on the information we have gathered thus far, it appears that on March 28, 1998 and on April 25, 1998, MIC shipped a total of 20 Graphitar Rings through its affiliate, Mitsubishi Corporation, to MHI in Japan. The rings were specifically designed to MHI's specification for integration into the radial bearings of nuclear reactor coolant pumps manufactured by MHI. MHI appears to have integrated the Graphitar Rings into its coolant pumps and exported the coolant pumps containing the Graphitar Rings to the Qinshan commercial nuclear power plant in China in 1999. It appears that MIC did not obtain a license from the Nuclear Regulatory Commission ("NRC") for these exports to China. To our knowledge, this is the only such incident involving the unlicensed shipment of these Graphitar Rings to an entity in China.

This past activity came to the attention of MIC recently during the course of seeking a license from the NRC for the export of the same type of Graphitar Rings to MHI in Japan for end use by what appears to be the same commercial nuclear power plant in China. Specifically, on October 4, 2007, MIC submitted license application number XCOM-1197 for the export of the Graphitar Rings, among other items, to MHI for integration into MHI Model 100D Reactor Coolant Pump for end use by the Nuclear Power Qinshan Joint Venture Company, Ltd in Zhenjiang Province, China. In the process of seeking certifications from the Governments of Japan and China regarding the civil end use of these items in China, the 1998 shipments came to the attention of MIC personnel. Mr. Robin DeLaBarre from the U.S. Department of State, Office of Nuclear

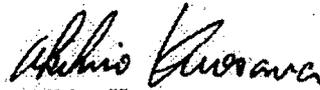
Mitsubishi International Corporation

Energy, Safety and Security told Mr. Alfred Angelone at MIC's office in Pittsburgh, PA, that in his efforts to obtain confirmation regarding the civil end use of these items in China, the Japanese Ministry of Foreign Affairs had informed Mr. DeLaBarre that the items that are the subject of the current license application had previously been exported to China. Mr. DeLaBarre then informed Mr. Angelone of this communication, which led MIC to undertake this internal inquiry.

It is not clear whether MIC personnel were aware at the time of the export of the Graphitar Rings to MHI that the rings would be integrated into a product for end use in a Chinese commercial nuclear reactor. As part of its review of this matter, MIC has located a document sent from MIC to Mitsubishi Corporation relating to the 1998 shipments that references "USG/QUINSHAN". However, the document does not specifically reference China, and it is unknown at this time whether MIC personnel were aware that the items were intended for the Qinshan nuclear power plant in China.

As indicated, we are actively looking into this matter and will update you on our findings as soon as we are able. Should you wish to speak to us about this matter, please do not hesitate to contact Diane Knox, Esq., Senior Counsel of the Legal Division, by phone at 212-605-2126 or by email at diane.knox@mitsubishicorp.com.

Sincerely,



Akihiro Kurosawa
Chief Compliance Officer
Mitsubishi International Corporation

CC: Mr. Robin DeLaBarre (by fax: 202-647-0775)
U.S. Department of State
Office of Nuclear Energy, Safety and Security

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