



ICS-9423

Westinghouse
Electric Corporation

Water Reactor
Divisions

Nuclear International Divisions

Box 355
Pittsburgh Pennsylvania 15230

November 7, 1979

XR-133

Mr. M. R. Peterson
Office of International Programs
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Peterson:

Subject: Export License XR133, Korean Units 7 and 8

Enclosed is a copy of our letter number ICS-9424 to the State Department regarding the subject license.

You will note that the Assurance Letter has not yet been received but is expected shortly.

We ask that, to the maximum extent feasible, you process our application (XR133) prior to receiving the Executive Branch judgment.

Sincerely yours,

M. M. Hersch
International Customer Services

/cg

Enclosure

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Box 355
Pittsburgh Pennsylvania 15230

November 7, 1979

Mr. R. R. DeLaBarre
Department of State
OES/NEC
Room 4327A
Washington, D. C. 20520

Dear Mr. DeLaBarre:

Subject: Export License XR133, Korean Nuclear Units 7 and 8

On January 26, 1979, Westinghouse applied to the NRC for a nuclear export license for Korean Nuclear Units (KNU) 7 and 8. This application, designated XR133, was forwarded to the Executive Branch for its judgment and recommendation on February 16, 1979. Because we were at the time involved in intensive international competition for these two units, and Korean officials were concerned over the reliability of the United States as a nuclear supplier, we had hoped that issuance of this license prior to the time that the commercial contract was awarded would strengthen our position.

Although this did not occur, at least in part because the Korean Government was reluctant to provide the "assurance letter" before the successful bidder had been selected, Westinghouse was awarded the contract on October 11, 1979. The value of U.S. goods and services in KNU 7 and 8 represents about \$1.4 billion and it provides anticipated U.S. employment substantially in excess of 100,000 man-years.

However, the Korean customer, Korea Electric Co. (KECO), continues to be concerned whether the U.S. Government is prepared to facilitate the timely processing of the export license application. As a consequence, our commercial contract contains a provision which permits KECO to terminate the contract any time it can be determined that the export license or other necessary government authorizations "are not obtained due to acts or omissions of the NRC or other involved U.S. Government agencies."

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1435 006 EXPORT/IMPORT
AND
INTERNATIONAL RECORDS

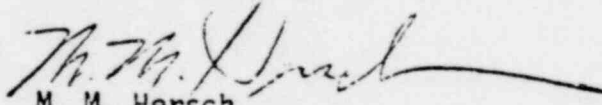
Mr. R. R. DeLaBarre
November 7, 1979
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KECO, having closely followed the KNU 5 and 6 Utilization Facility license through the U.S. government's licensing process, became intimately familiar with the provisions and time limits contained in the Nuclear Non-Proliferation Act (NNPA). Accordingly, we believe KECO will be looking for this license to be issued in about 65 to 70 days from our government's receipt of the Assurance Letter. We understand from our customer that the Assurance Letter will be transmitted from their government to our Department of Energy shortly.

The timely issuance of this license would not only add stability to the KNU 7 and 8 contract, but would enhance the chances of a U.S. firm being awarded the next two units to be bid.

A copy of this letter is being sent to the NRC. We will appreciate receiving your assessment as to how soon after receipt of the Assurance Letter the NRC can expect the Executive Branch judgment and recommendation. This will enable us to coordinate with the NRC in developing an informed response to customer inquiries regarding this matter.

Sincerely yours,


M. M. Hersch
International Customer Services

/cg

bcc: C. Thiessen
H. Arnold
T. Markovich
R. Hess
R. Meurer
D. Hoyle
F. Beal

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