

May 13, 1979

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

SECY-78-678C

INFORMATION REPORT

For: The Commissioners

From: James R. Shea, Director
Office of International Programs

Thru: Executive Director for Operations *JRS*

Subject: PROPOSED GENERAL ELECTRIC FUEL EXPORT TO TAIWAN
(XSNM-1341, SECY-78-678A)

Purpose: To inform the Commission of recent communications from General Electric regarding the urgency of XSNM-1341.

Discussion: As the Commission is aware, final Commission action on export applications to Taiwan has been deferred pending resolution of the issues raised by the President's decision to terminate diplomatic relations with Taiwan. The staff is also attempting to resolve several safeguards related issues concerning Taiwan.

In the interim, General Electric has sent to us two letters and one cable expressing a high degree of urgency regarding the approval of XSNM-1341. These communications are attached at enclosure A.

XSNM-1341 involves the export of low-enriched fuel for the initial core loadings of the Kuosheng power reactor. The staff notes that, although the estimated date of first use for this material is October 1980, GE has a commitment to the Tai-Power Company (TPC) to deliver the fuel with the necessary lead time for receipt, unpackaging, inspection, return and replacement of defective or damaged fuel elements, and training of TPC personnel associated with these activities. These considerations have led to General Electric's decision to make the special shipping arrangements described in their communications to the staff.

Additional staff analysis of XSNM-1341 is contained in SECY-78-678A and 678B. As a related matter, a facility attachment has not been completed for the Kuosheng reactors. However, we have been officially informed by the Executive Branch that the IAEA is prepared to apply interim safeguards.

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Discussion:
(Continued)

The staff has placed high priority on completing its analysis and recommendations concerning the resumption of exports to Taiwan and these will be forwarded to the Commission within the next few days. In the meantime, we wish to alert the Commission to the particular urgency which GE attaches to this application.



James R. Shea, Director
Office of International Programs

Enclosure:
Communications from GE

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