

BEFORE THE COMMISSION

GENERAL ELECTRIC  
GENERAL ELECTRIC COMPANY  
175 CURTNER AVENUE  
SAN JOSE, CALIFORNIA 95125



DR. BERTRAM WOLFE  
VICE PRESIDENT AND GENERAL MANAGER  
NUCLEAR FUEL AND SERVICES DIVISION

September 16, 1980

Chairman John F. Ahearne  
Nuclear Regulatory Commission  
1717 H Street, N.W.  
Washington, D. C. 20555

Re: Docket 50-536  
Export License No. XR-104

Dear Mr. Ahearne:

We request your assistance in having the NRC act promptly on a very minor amendment to an export license covering equipment for the Leibstadt plant in Switzerland. The amendment - adding Fabbricazioni Nucleari (FN) in Italy as an intermediate consignee - has essentially no significance from a non-proliferation policy point of view. The principal impact of further delay in processing the requested amendment will be on the nuclear program in Italy, which to our knowledge has not been the subject of any particular U.S. non-proliferation concerns.

The amendment is intended simply to permit FN to perform a part of the fuel fabrication work which was originally planned to be performed at General Electric's North Carolina plant. The reason for this change was to provide some workload to the FN plant which would otherwise have been without work for eighteen months starting after October 1980.

Near the beginning of this year officials of FN, which is owned by the Italian government, urgently requested that General Electric Company assist in finding some work for FN to avoid shutting down the FN facility. Such a shutdown would cause losses, both financially and in capability to perform - because of the loss of the experienced work force which has been built up during the five years of FN's operations.

The failure to obtain the license amendment thus would hurt the Italian nuclear power program as well as GE's position in that program. It would also reflect adversely on U.S. supply credibility in the eyes of both the Italians and the Swiss.

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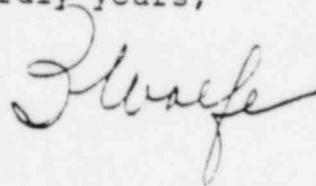
FN is currently fabricating the uranium pellets for the fuel and needs the hardware (tubing, spacers, end plates, etc.) covered by the requested amendment by the end of this month in order to continue the fabrication process. GE is contractually committed to deliver the hardware to FN by October 1. This commitment can be met (by use of high cost air freight rather than the planned ocean transport) if the license amendment is issued by September 26.

We do not know why the license amendment has not been granted. The application for the amendment was filed on April 23, 1980, four months prior to the planned shipment date. The Executive Branch views dated August 11, 1980 support the amendment. FN has the requisite authority from Euratom to receive and possess the fuel bundle hardware and is the authorized intermediate consignee on other currently effective export licenses (XSNM-463 and XSNM-852) for nuclear fuel shipments to Italy. The same hardware could be shipped directly from the U.S. to Switzerland under currently effective export licenses - as separate components under the equipment license or as part of the fabricated fuel under the fuel license.

We have been informed that the NRC, for reasons involving classified information (but apparently not considered dispositive by the Executive Branch in this case), is withholding action on various export matters involving Switzerland. Although we are not privy to these reasons, we would suggest that the current effectiveness of the export licenses for the Leibstadt equipment and fuel, the total lack of significance from a non-proliferation perspective of this amendment and the adverse impact of further delay on the Italian nuclear power program, together with what we regard as serious questions as to U.S. supply credibility, all weigh heavily in favor of issuing the amendment.

We therefore urge that the NRC issue this amendment no later than September 26, 1980.

Very truly yours,



BW/rhm

cc: Mr. Louis Nosenzo  
U.S. Department of State  
Washington, D. C. 20520