

NUCLEAR POWER

GENERAL ELECTRIC COMPANY, 175 CURTNER AVE., SAN JOSE, CALIFORNIA 95125
NUCLEAR POWER SYSTEMS MARKETING DEPARTMENT

May 4, 1981

Mr. James R. Shea, Director Office of International Programs U.S. Nuclear Regulatory Commission Washington, D.C. 20555

SUBJECT: Applications for Export Laguna Verde Units 3 & 4

Dear Mr. Shea,

General Electric hereby submits applications for licences authorizing export of equipment components and fuel for a two unit Nuclear Power Station to be installed at Laguna Verde Site in Mexico. As requested in the recent case of the Taiwan Power Nuclear Units 7 and 8, we ask that review of this application be initiated now, in advance of the award of the project. The practical and policy reasons for this early review are set forth below.

The Comision Federal de Electricidad, an authority of the Mexican Government, is currently preparing bid specifications for two additional nuclear power units to be constructed at the Laguna Verde Nuclear Power Plant Site. Bids will be required in three to five months from seven reactor suppliers. An award decision is scheduled for early 1982.

Although U.S. companies (principally General Electric Company and certain U.S. architect-engineering firms) are the main suppliers for the first two Laguna Verde units, there are indications that Mexico may turn to a non-U.S. supplier for the next two units. In preparing recent studies of its energy needs, Mexico used Canadian, French and Swedish firms, pointedly excluding the United States.

The timely issuance of a U.S. export license, however, would be a significant step toward regaining Mexican confidence in U.S. nuclear cooperation and continued U.S. fidelity to its obligations under contracts to supply enrichment services. Clearly, such reassurances are vitalized achieving U.S. non-proliferation objectives.

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GENERAL & ELECTRIC

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As previously mentioned, the first two Laguna Verde units are being supplied with components exported by General Electric. Those exports are authorized by currently valid NRC License Nos. XR-98 and XR-102 issued to General Electric. Thus, we believe we are a serious contender for this next phase of the Laguna Verde project.

Also, the timely issuance of a U.S. export license would be a strong positive factor in convincing Mexico the U.S. is committed to improving relations with Mexico - an announced objective of the present administration.

Accordingly, General Electric respectfully requests that these applications be reviewed as if firm orders for the additional units had been received. We shall be pleased to cooperate fully with you and with the Executive Branch agencies conducting referral reviews.

Sincerely,

B. D. Wilson, Manager Government Relations and Export Licensing

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