



Nuclear Information and Resource Service

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November 15, 1990

U.S. Nuclear Regulatory Commission
Washington, DC 20555

Attn: Chief, Policy Development &
Technical Support Branch
Program Management, Policy Development
& Analysis Staff
Office of Nuclear Reactor Regulation

We appreciate the opportunity to provide our comments on the antitrust information provided by Louisiana Energy Services (LES) and published in the Federal Register October 22, 1990 (p. 42662).

We have two basic concerns about the information LES has provided for the NRC's antitrust review.

First, LES acknowledges that none of the companies which have been publicly identified as owners of LES are in fact owners. These include Duke Power, Fluor Daniel, Urenco, and Northern States Power. Instead, these companies have set up wholly-owned subsidiaries which in turn own LES.

We see two problems with this arrangement. First, this appears to be an effort to shield the parent companies from any liability that may result from the construction or operation of this facility. This is particularly important in view of the second problem, which is that it is our understanding that the LES general partners (i.e. the wholly-owned subsidiaries) have virtually no assets.

Thus, we believe that LES has neither the financial capability to even build such a plant, nor the financial resources to meet any unforeseen liabilities. This should in itself disqualify LES from being licensed for this venture.

At the very least, we believe the NRC should require the LES general and limited partners to make a full disclosure of their current assets and liabilities.

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This disclosure should be made no later than upon initial application for a construction permit.

The second major problem with the LES antitrust disclosure is that while the names of the owners of Uranit (PreussenElektra AG, RWE-DEA AG, and Hoechst AG) are disclosed, the owners of these companies are not disclosed, nor is there any discussion of the business in which these companies are involved.

This is especially important in light of recent revelations of the possible diversion by German companies of centrifuge enrichment technology to Iraq. The American people certainly have a right to know if any company which in any way would have a stake in the LES project--even through indirect ownership--has been involved in such criminal and immoral diversion of nuclear technology. This is even more important since Urenco has positioned and championed itself as the only Western world source of centrifuge enrichment technology.

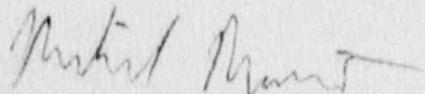
Thus, we believe that (1) the NRC should compel Urenco to describe the nature of the three Uranit owners' business, and (2), require that Urenco provide a list of all owners of 1% or more of PreussenElektra AG, RWE-DEA AG, and Hoechst AG, with each owner's percentage share of these companies. Wholly- and partly-owned subsidiaries of these companies should also be disclosed.

Again, this disclosure should be made no later than upon initial application for a construction permit.

It is clearly impossible to conduct a thorough antitrust review without possession of the above information.

Thank you for this opportunity to submit our comments. We look forward to your response.

Sincerely,



Michael Mariotte
Executive Director