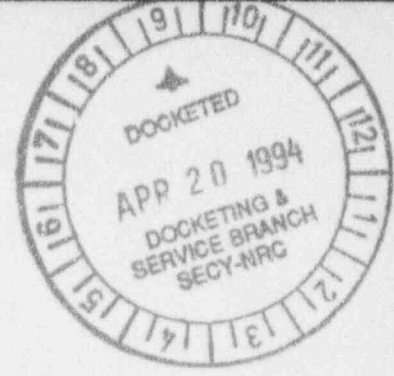


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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of :
WESTINGHOUSE ELECTRIC CORPORATION : Docket No. 110-04699
(Nuclear Fuel Export License :
For Czech Republic - Temelin :
Nuclear Power Plants) :

**ANSWER OF APPLICANT WESTINGHOUSE ELECTRIC CORPORATION
TO PETITION FOR INTERVENTION AND REQUEST FOR HEARING
OF THE NATURAL RESOURCES DEFENSE COUNCIL, ET AL.**

On December 1, 1993, Westinghouse Electric Corporation ("Westinghouse" or "Applicant") applied to the Nuclear Regulatory Commission ("NRC" or "Commission") for a license to export nuclear fuel to the Czech Republic for use in two nuclear reactors (Temelin Unit 1 and Temelin Unit 2) currently under construction by the Ceske Energeticke Zavody Koncern, a.s. ("CEZ") in the Czech Republic. The Westinghouse export license application stated that the nuclear fuel to be exported would be used for the first core and four reload regions each for Temelin Unit 1 and Temelin Unit 2.

The Westinghouse nuclear fuel export license application was duly docketed by the NRC on December 1, 1993, and assigned License Application No. XSNM-02785. A copy of the Application was placed in the NRC's Public Document Room on December 1, 1993. On or about March 17, 1994, a "Petition for Intervention and Request for Hearing of the Natural Resources Defense Council, Friends of the Earth, Hnuti DUHA, and Global 2000" ("Petition for Intervention") was filed with the Commission. This Answer is filed by Westinghouse in opposition to the Petition for Intervention.

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SUMMARY

As is more fully discussed in the following Sections of this Answer, Westinghouse submits that the Petition for Intervention should be denied for the following reasons. First, the Petition should be denied because it seeks to raise matters which the Commission previously has determined are not appropriate for consideration in nuclear fuel export license proceedings. The Commission has consistently taken the position that it will not evaluate the health, safety or environmental impacts of nuclear exports within a recipient nation--the goal of the Petitioners. Second, the Petition should be denied because it was not filed in a timely manner. At least four licenses within the past three years have been issued by the Commission for export of nuclear components and fuel to the Czech Republic for use in, or applicable to, the Temelin reactors. Petitioners did not seek to intervene in any of these earlier export license proceedings. In light of this, Petitioners have wholly failed to establish good cause for the late filing of their Petition for Intervention in the current case. Third, the Petition should be denied because the Petitioners have failed to demonstrate that the requested intervention and hearing would be in the public interest or that granting of the Petition would assist the Commission in making the statutory determinations required by the Atomic Energy Act. The license application meets the applicable regulatory criteria for grant of the license set forth in 10 C.F.R. § 110.44, and none of the issues sought to be raised by Petitioner would impact on the standards which are applicable to the granting of the license. Rather, granting of the

Petition for Intervention would be an action in derogation of the public interest because it would be widely viewed as an improper intrusion on the licensing decisions of the sovereign Czech Republic nation.

I. Petitioners Seek to Raise Matters Which the Commission Previously Has Determined Are Not Appropriate for Consideration in Export License Determinations.

Westinghouse's pending Application seeks issuance of an NRC special nuclear material export license for shipment of a limited quantity of nuclear fuel (first core and four reload regions) for two reactors presently under construction in the Czech Republic. Westinghouse submits the Petition for Intervention seeks to raise matters which the Commission previously has determined are not appropriate for consideration in nuclear fuel export license proceedings and thus that Petition and its request for hearing should be denied.¹

¹ Each of the Petitioners also lacks standing to intervene in the present case. In the Matter of Edlow International Company (Agent for the Government of India on Application to Export Special Nuclear Material), CLI-76-6, NRC 563 (1976). In Edlow, the NRC held that standing cannot be premised on matters involving the health and safety aspects of the Tarapur atomic power station "as they may affect persons who reside in or travel to India" since foreign health and safety matters are beyond the jurisdictional authority of the NRC. 3 NRC at 575. See In the Matter of Westinghouse Electric Corporation (Application for the Export of Pressurized Water Reactor to Association Nuclear ASCO II, Barcelona, Spain), CLI-76-9, 3 NRC 739 (1976). Petitioners here seek to raise issues as to health, safety and environmental concerns of the Temelin reactors within the Czech Republic and in Central Europe. Such allegations are insufficient to confer standing on Petitioners.

In this export license proceeding, Petitioners are seeking to intervene in an attempt to raise issues concerning alleged health, safety and environmental impacts in the Czech Republic, or in close proximity thereto, purportedly associated with the shipment of a limited quantity of nuclear fuel for the two Temelin reactors. The question of Commission consideration of health, safety and environmental issues in a foreign jurisdiction was raised in connection with authorization of an export in 1980 of a nuclear reactor and nuclear fuel to the Philippines. In the Matter of Westinghouse Electric Corporation (Exports to the Philippines), CLI-80-15, 11 NRC 631 and 11 NRC 672 (1980). As in the present case, the exporter in that case was Westinghouse and the lead litigant was Natural Resources Defense Council. The Commission in the Westinghouse Philippines case ruled as follows in authorizing export of the nuclear fuel:

. . . the Commission has decided to adhere to the policy reflected in several of its earlier export licensing decisions and will only consider those health, safety and environmental impacts arising from exports of nuclear reactors that affect the territory of the United States or the global commons. The Commission will not consider these impacts when acting upon exports of components or special nuclear fuel. The health, safety and environmental impacts from individual fuel shipments or component shipments are generally de minimis and the Commission has consistently taken the position that individual fuel exports are not "major federal actions. See Edlow International, CLI-76-6, 5 NRC 563, 584 (1976)." (11 NRC 672; emphasis supplied.)

On appeal, the Commission's decision in the Westinghouse Philippines case was affirmed by the U.S. Court of Appeals for the District of Columbia Circuit in Natural Resources Defense Council, Inc. v. Nuclear Regulatory Comm., 647 F.2d 1345, 1348 (D.C. Cir.

1981). Judge Wilkey, in his opinion for the Court in that case, stated the issue as follows:

This appeal raises the issue of whether and to what extent 'effective control' of nuclear exports requires the [NRC] to consider projected health and safety impacts associated with an exported reactor in the recipient foreign country.

After describing the objectives of our nuclear energy laws in the international area, Judge Wilkey then stated:

The Commission decided in the case before us to license a nuclear export without evaluating health, safety and environmental impacts within the recipient nation. We must judge the conformity of that decision with the Atomic Energy Act of 1954 (the Act), as amended by the Nuclear Non-Proliferation Act of 1978 (NNPA). (647 A.2d at 1347; emphasis in original; footnotes omitted.)

Judge Wilkey proceeded to address this issue as follows:

My review of the two acts leads me to conclude that the Commission acted lawfully in declining to consider foreign impacts. Its deference to the evaluation and foreign policy judgment made by the executive appears to me fully consistent with the objectives set by Congress.

Furthermore, I cannot find that the National Environmental Policy Act of 1969 (NEPA) imposes an environmental impact statement (EIS) requirement on nuclear export decisions with respect to impacts falling exclusively within foreign jurisdictions. Within the language of the statute, solicitude for the President's prerogative in foreign relations dictates that NEPA's putative extra-territorial reach be curbed in the case of nuclear exports. (647 F.2d at 1347-48; footnote omitted.)²

Thus, the Westinghouse Philippines decision instructs as follows:

- (1) The Commission has adopted a lawful policy in not considering health, safety and environmental impacts, within the recipient nation of nuclear exports;

² Judge Wilkey's opinion has been characterized as concluding that "U.S. foreign policy interests in the area of nuclear exportation were unique and delicate". Environmental Defense Fund, Inc. v. Massey, 986 F.2d 528, 535 (D.C. Cir. 1993).

- (2) This policy is consistent with Congressional objectives relating to nuclear exports;
- (3) The Commission has determined that health, safety and environmental impacts of nuclear fuel exports are generally de minimis; and
- (4) Individual nuclear fuel exports are not "major federal actions" requiring an environmental impact statement under NEPA.

The Westinghouse Philippines case has been cited on a number of occasions for the proposition that NEPA does not require assessment of environmental impacts in a foreign country. See, e.g., NEPA Coalition of Japan v. Aspin, 837 F.Supp. 466 (D.C. D.C. 1993); Greenpeace, USA v. Stone, 748 F.Supp. 749 (D. Hawaii 1990). The decision in the Westinghouse Philippines case and the later cases, are in line with the presumption that legislation of Congress is meant to apply only within the territorial jurisdiction of the United States. Equal Employment Opportunity Commission v. Arabian American Oil Company, 499 U.S. 244 (1991). See also Environmental Defense Fund, Inc. v. Massey, 986 F.2d 528 (D.C. Cir. 1993) (presumption against extraterritorial application of U.S. statutes; presumption does not apply where "alleged extraterritorial effects of the statute will be felt in Antarctica--a continent without a sovereign and an area over which the United States has a great measure of legislative control".)

In the pending Application, Westinghouse is seeking a license to export a limited quantity of nuclear fuel to the Czech Republic. Westinghouse is not seeking to export nuclear reactors to that country. The reactors in which the exported fuel will be utilized have been designed and supplied by Russia and are being licensed in

accordance with the laws of the sovereign Czech Republic nation. Reactor fuel can be supplied to the Czech Republic from companies located in many different nations. CEZ's purchase from Westinghouse of the fuel for the initial core and four reloads for each Temelin reactor is clearly a de minimis matter with regard to the health, safety and environmental responsibilities of the Commission, responsibilities which are limited to the territory of the United States and the global commons.

Petitioners, aware that the Commission's Westinghouse Philippines decision would mandate the denial of their Petition for Intervention, claim that the decision should not be applied to the instant proceeding because Westinghouse's pending fuel export license Application allegedly involves "unprecedented circumstances."³ In response, Westinghouse submits (1) neither the Commission nor the Court created any "unprecedented circumstances" exception in its 1980 Westinghouse Philippines decision confirming the policy not to evaluate health, safety and environmental impacts of nuclear exports within a foreign, sovereign nation, and (2) the pending Application does not involve any "unprecedented circumstances" despite the rhetoric and speculation employed in that regard in the Petition for Intervention. The discussion which follows manifestly establishes that the pending Application to export a limited quantity of nuclear fuel to the Czech Republic does not involve "unprecedented circumstances."

³ Petition for Intervention at p. 13.

II. The Petitioners' Attempt to Intervene in this Fuel Export License Application is Untimely.

Westinghouse filed its nuclear fuel export license Application No. XSNM-02785 on December 1, 1993, and a copy of the Application was placed in the NRC's Public Document Room on that date. Pursuant to 10 C.F.R. § 110.82(c)(2), an intervention petition and hearing request on an export license application will be considered untimely if not filed within 15 days of the date the application is noted as having been received by the Public Document Room. Thus, in order to be timely, under 10 C.F.R. § 110.82(c)(2), the Petition for Intervention was required to be filed no later than December 16, 1993. Instead, it was filed more than three months later, on March 17, 1994.

Westinghouse submits that the Commission should be most judicious in exercising its discretion in the matter of untimely intervention petitions and hearing requests. In passing the Nuclear Non-Proliferation Act of 1978 ("NNPA"), Congress emphasized that a factor vital to the success of the United States' non-proliferation policy is our ability to assure other nations that the United States is a reliable supplier of nuclear equipment and material. One method of providing such assurance is to demonstrate that applications for export licenses will be processed in a timely fashion. The NNPA thus stresses the need for action on export license applications in a timely manner. See Atomic Energy Act of 1954, as amended, § 126. With regard to the present application, the action requested by Petitioners is inconsistent with this policy. As discussed below, the Commission within the past three

years has issued four licenses to Westinghouse to export various nuclear components and fuel for use in, or applicable to, the Temelin reactors. For the Commission to allow this untimely Petition for Intervention, after such previous license issuances, would establish an undesirable precedent whereby those seeking to delay and oppose nuclear exports could withhold their opposition until a very late stage with the knowledge that they would not thereby adversely affect their opportunity to intervene.

The Petitioners admit in their Petition for Intervention that the Petition was filed late but erroneously contend that "their untimely intervention and hearing request would not unduly broaden or delay the proceeding, because evaluation of the health, safety and environmental effects of the export of nuclear fuel to Temelin are squarely within the Commission's mandate."⁴ As discussed in Section I of this Answer, the Westinghouse Philippines case stands for the proposition that in connection with proposed nuclear fuel exports the Commission will not and need not evaluate the health, safety and environmental effects within the recipient country. Thus, contrary to Petitioner's contention, granting intervention here would unduly broaden and delay the proceeding, and would adversely impact on the confidence in U.S. suppliers of nuclear material.

Petitioners obviously are aware of the impact of their failure to petition for intervention in the prior Temelin-related license applications. In an effort to deflect the impact of their

⁴ See Petition for Intervention at pp. 5-6.

failures, Petitioners claim that "the application at issue in the instant proceeding is the first in which Westinghouse has specifically stated that the export is intended for Temelin."⁵ This statement is not true. Petitioners state an awareness of three licenses granted by the Commission to Westinghouse for export of nuclear equipment, components and fuel to the Czech Republic in 1993. However, Petitioners ignore the 1991 export license, discussed below, which specifically authorized export of plant monitoring and control systems for the Temelin reactors. Moreover, even with respect to the three 1993 export licenses, Petitioners ignore the fact, discussed below, that one of those license applications stated the ultimate consignee to be CEZ at Temelin-Elektrama. The other two license applications were for shipments to the Czech Republic for testing and evaluation of components of VVERs, without specific mention of Temelin or the other Czech VVER plants. Given the high profile of the proposed Westinghouse relationship with CEZ relating to Temelin--there were at least ten articles in Nucleonics Week between January 1993 and the time of Petitioners' filing in March 1994 relating to the Westinghouse-Temelin relationship--Petitioners inference that they did not know these other export license applications related to Temelin is hardly tenable.

In this regard, a brief review of the prior Commission licensing actions relating to export of nuclear components and materials to the Czech Republic is appropriate. The pending export

⁵ See Petition for Intervention, p.9.

License Application No. XSNM-02785 is at least the fifth export license application that Westinghouse has filed pertaining to component or fuel exports to the Czech Republic for, or applicable to, the two Temelin reactors. On November 8, 1990, Westinghouse filed export license Application No. XCOM-1049 with the NRC seeking approval to export to CEZ in the Czech Republic (at that time the Czech and Slovak Federal Republic) "Plant Monitoring and Control Systems for Temelin Units 1 and 2" (see Attachment 1 to this Answer). On or about July 29, 1991, the Commissioners unanimously approved Westinghouse's Application (see Attachment 2) and, on July 30, 1991, the NRC issued License No. XCOM-1049 for the plant monitoring and control systems for Temelin Units 1 and 2 (see Attachment 3).

Following the NRC's issuance of export License No. XCOM-1049, Westinghouse in early 1993 filed two export license applications to ship components and fuel to the Skoda companies⁶ located in the Czech Republic. On March 4, 1993, Westinghouse filed with the NRC an application for License No. XCOM-1078 to export fuel assembly and other components to Skoda (see Attachment 4). The purpose of this export was to permit testing and evaluation of fuel assembly and other components for VVER application. The Temelin reactors are VVER reactors and the proposed testing and evaluation will be applicable to those reactors. On April 16, 1993, the NRC issued License No. XCOM-1078 (see Attachment 5).

⁶ The Skoda companies have contracts with Westinghouse in this matter.

On May 12, 1993, Westinghouse filed an application for License No. XSNM-2749 to export to Skoda a small quantity of nuclear fuel to be used in hydraulic and mechanical tests for the VVER fuel assembly development program (see Attachment 6). On September 2, 1993, the NRC issued License No. XSNM-2749 for this export (see Attachment 7).

On July 27, 1993, Westinghouse filed with the NRC an application for License No. XCOM-1082 to export to CEZ a variety of nuclear components (a copy of this application, without its attachment, is Attachment 8 hereto). This application stated that the ultimate consignee of the components to be exported was CEZ located at "373 05 Temelin-Elektrama, Czech Republic." Moreover, the application explained in Item 11 the ultimate end use of the export as follows:

The equipment/technology exported under this application will be used in civilian nuclear power plants operating in the Czech Republic and those under construction and those to be constructed in the Czech Republic.

Thus, it is manifest that the application for License No. XCOM-1082 had relevance to the Temelin reactors under construction. On September 3, 1993, the NRC issued License No. XCOM-1082 (Attachment 9).

At no time during the Commission's consideration of the four above-referenced Westinghouse export license applications did any of the Petitioners seek leave to intervene or request that a hearing be conducted by the Commission. In connection with these applications, the Commission and the Executive Branch have already fulfilled their statutory duties in reviewing the applications for

these export licenses. The Commission has previously determined with regard to these licenses that the requirements of 10 C.F.R. § 110.44, which set forth the standards for issuance of an export license, have been satisfied. By reason of the issuance of those licenses, an ongoing, long term relationship has been established between CEZ and Westinghouse with regard to the provision of certain assistance by Westinghouse concerning the Temelin reactors.

The pending nuclear fuel export license application of Westinghouse is an obvious continuation of the ongoing program of assistance by Westinghouse to CEZ. This program has the support of the United States Government. Now, in connection with at least the fifth export license application, Petitioners want the Commission for the first time to allow a late intervention and schedule a hearing pursuant to 10 C.F.R. § 110.84. Westinghouse submits that under these circumstances the Petitioners should bear a very heavy burden of establishing good cause for their late filing. For the reasons discussed below, Westinghouse submits that Petitioners have wholly failed to establish good cause for their late filing.

In an attempt to cure its late filing, Petitioners, in addition to their incorrect claim that this is the first application in which Westinghouse specifically stated the export is intended for Temelin, also claim that issuance of prior licenses do not justify granting the current license due to "material changed circumstances". In this regard, Petitioners claim that information concerning the safety of the Temelin reactors "has only recently become publicly available", and that this constitutes such

"material changed circumstances"⁷. Such a claim, of course, is irrelevant here since, as discussed above, this so called "new information" relates to impacts of the reactor in the Czech Republic and surrounding areas - the type of information Commission has determined as being not appropriate to consider in export license proceedings.

Moreover, Petitioners claim is refuted by the very documents Petitioners cite in their Petition, namely:

- (1) A 1990 report issued by the Temelin Design Review Mission of the International Atomic Energy Agency ("IAEA");
- (2) 1990 and 1992 reports of an IAEA Pre-OSART (Pre-Operational Safety Review Team) Mission to Temelin; and
- (3) An October 1992 report concerning the Temelin site by Halliburton NUS.

As early as 1990 the Czech government gave the IAEA its consent to freely distribute all reports of the IAEA missions to Temelin. To the best knowledge of Westinghouse, and contrary to Petitioners' allegation, the three IAEA reports referenced by Petitioners (items 1 and 2 above) thus were publicly available at least as early as 1992. The October 1992 Halliburton NUS report consisted of an audit relating to CEZ and Temelin. When the audit was completed, a press release, authorized by CEZ, was made in 1992 by Halliburton NUS on the audit findings and recommendations. (Certain parts of the audit, relating to CEZ internal organization, commercial policy, personnel issues and proprietary technologies were not publicly released.) The Halliburton NUS project director was interviewed by the press, and CEZ and Halliburton NUS presented the

⁷ Petition for Intervention, p. 6

overall results of the audit of Temelin construction to a Eurofora conference in 1992. Thus, the documents or information relating to the Temelin plants referenced by Petitioners have been publicly available for an extended period of time. The most that Petitioners can allege is that their own knowledge regarding such publicly available information was deficient. This is not the type of newly discovered information which should provide a basis for allowing an untimely intervention filing.

In addition to the documents noted above, Petitioners reference a "Technical Memorandum Regarding The Temelin Nuclear Power Plant Prepared By The Advisors On The Special Delegation Of The Government Of Austria To The United States" dated February 1994 (hereinafter referred to as the "Austrian Report"). This document was apparently prepared on behalf of the Government of Austria ("Austria") as part of an unsuccessful lobbying effort by Austria to convince the United States Congress to disapprove a January 27, 1994, decision by the Board of Directors of the Export-Import Bank authorizing a loan guarantee for certain goods and services to be used in connection with the completion of the two Temelin nuclear reactors.

A reading of the Austrian Report establishes that it constitutes an advocacy paper by a country opposed to the operation of the Temelin reactors by the Czech Republic.⁸ The Austrian Report

⁸ The rebuttal position of the Czech Republic is set forth in a "Position Paper on the Temelin Nuclear Power Plant" issued on March 3, 1994 by the Embassy of the Czech Republic to the United States (see Attachment 10 hereto). Further information on the position and activities of the Czech Republic with
(continued...)

does not contain any "new evidence"⁹ relevant to the instant export license proceeding which Petitioners allege "has only recently become publicly available." Rather, the Austrian Report comments, from the Austrian opposition point of view, on information concerning the Temelin reactors which has been publicly available for substantial periods of time. Further, the Austrian Report does not raise issues properly cognizable by the Commission in a nuclear reactor export license proceeding, let alone, as here, a nuclear fuel export license proceeding.

In its decision in Westinghouse Philippines the Commission gave the following rationale for not becoming involved in evaluating health, safety and environmental impacts of nuclear reactor exports in a recipient country:

The primary basis for our position is that no matter how thorough the NRC review, the Commission still would not be in a position to determine that the reactor could be operated safely. We reach this conclusion because the NRC review would inherently have to be less complete than its review of domestic reactor applications. For example, site visits by NRC technical experts, including verification of data on site characteristics, which are an essential element of the domestic review process, could not be conducted without the consent of the foreign government. Such reviews could be considered an unwarranted intrusion into the sovereignty of the recipient nation. * * *

Even more significantly, because the NRC has no continuing regulatory jurisdiction over activities associated with the reactor project once the export license is issued and commodities are shipped, the NRC cannot inspect the plant as it is being constructed to

⁸(...continued)

respect to the Temelin reactor are contained in a letter dated March 9, 1994 to K. Brody, Chairman and President, Export-Import Bank of the United States, from V. Dlouhy, Czech Minister for Industry and Trade (see Attachment 11 hereto).

⁹ Petition for Intervention, p. 7.

ensure that the plant is being built according to specifications. Moreover, the NRC has no control over the selection and training of the individuals who will manage and operate the reactor, and could not periodically inspect the plant once it is operating. In the absence of such controls, it is our view that the NRC would be unable to make a meaningful safety determination. A partial review could in fact have adverse results because it could give the misleading impression that the NRC is assuring the safety of the facility as eventually constructed, and is assuming some responsibility for its safety. This could lead recipient nations to place undue reliance upon the NRC review and to reduce their own efforts and expenditures to develop an indigenous capability to construct, operate, and maintain the plant safely.

* * * * *

Another factor in our decision involves the foreign policy implications of an NRC health, safety and environmental review. Any NRC review could have severe foreign policy repercussions because it could be construed as a declaration that a recipient government is incapable of determining what is in the best interests of individuals residing in its country in the sphere of health, safety and the environment. Under international law the recipient country is responsible for the health and safety of all individuals residing in its territory. (11 NRC 631, 648-49; footnotes omitted.)

None of the matters raised in the allegedly new information set forth by the Petitioners provides a basis for reconsideration of the Commission policy so cogently explained in the above-quoted passage.

For the reasons discussed above, Westinghouse submits that it is clear that the Petition for Intervention contains no new information relevant to the issues to be decided by the Commission pursuant to 10 C.F.R. § 110.44 and that Petitioners have failed to sustain their heavy burden of establishing "good cause" for their failure to file a timely intervention petition. Thus, the Petition for Intervention should be denied.

III. Petitioners Have Failed to Demonstrate That the Requested Intervention and Hearing Would Be in the Public Interest or That Petitioners Would Assist the Commission In Making the Statutory Determinations Required by the Atomic Energy Act.

In determining whether the Commission as a matter of discretion should grant the intervention petition or a hearing, the Commission must determine whether intervention or a hearing would be in the public interest and would assist the Commission in making the statutory determinations required by the Atomic Energy Act. Nothing in the Petition for Intervention here at issue suggests how granting the Petition and permitting a hearing would lead to such assistance to the Commission.

A. A Public Hearing is Not Needed to Determine Whether the Export License Should be Issued Pursuant to 10 C.F.R. § 110.44.

10 C.F.R. § 110.44 provides in pertinent part as follows:

(a) The Commission will issue an export license if it has been notified by the State Department that it is the judgment of the Executive Branch that the proposed export will not be inimical to the common defense and security; and

(1) Finds, based upon a reasonable judgment of the assurances provided and other information available to the Federal government, that the applicable criteria in § 110.42, or their equivalent, are met. . . .; or

(2) Finds that there are no material changed circumstances associated with an export license application (except for byproduct material applications) from those existing at the time of issuance of a prior license to export to the same country, if the prior license was issued under the provisions of paragraph (a)(1) of this section.

As discussed in the previous Section of this Answer, the Commission has already issued four export licenses approving shipment by Westinghouse of Temelin-related components and fuel to the Czech Republic. In each case, the State Department notified

the Commission that in the judgment of the Executive Branch the proposed export would not be inimical to the common defense and security. Pursuant to the provisions of § 110.44, the Commission's issuance of these four export licenses also involved a determination either that the applicable criteria of 10 C.F.R. § 110.42 had been satisfied or that no material change of circumstances associated with the export license application existed from the circumstances existing at the time of previous license issuance.

In connection with the pending application for a license for nuclear fuel export, the State Department has notified the Commission that the proposed export by Westinghouse will not be inimical to the common defense and security (see Attachment 12). Thus, the first requirement for issuance of a license under § 110.44 has been met. The proposed export also meets requirements of both § 110.44(a)(1) and (a)(2), although only one of these requirements must be met for the license to issue. The requirement of 10 C.F.R. § 110.44(a)(1) is met if the proposed export meets the applicable criteria of 10 C.F.R. § 110.42.¹⁰ Because all applicable criteria

¹⁰ § 110.42 does contain a criterion that the proposed export, in the case of facility exports, not constitute an unreasonable risk to the public health and safety in the United States. The present application does not involve a facility export, and thus, this criterion is not applicable. Even if it were applicable, however, Petitioners' only suggestion in their Petition of any U.S. impacts is a reference to radioactive fallout in the United States and of 140-160 excess cancer deaths in the United States due to the accident at Chernobyl. Even assuming such claims are accurate, the VVERs under construction at Temelin are of a completely different design than the reactor involved at Chernobyl. The VVERs include safety and other features not included at Chernobyl, such as a reactor containment structure. Thus, any reference to impacts in the U.S. from operation of the Temelin VVER reactors are farfetched and specious.

of § 110.42 have been met, Westinghouse submits that the standard for issuance of a license under § 110.44(a)(1) is satisfied without regard to any of the issues sought to be raised by Petitioners.

In addition, Westinghouse submits that the license application also meets the alternate standard of § 110.44(a)(2), since there are no material changed circumstances associated with the pending license application from those existing at the time the Commission issued the four previously discussed export licenses. Petitioners claim that the "new information"¹¹ referenced in their Petition for Intervention constitutes the evidence of "material changed circumstances" required by 10 C.F.R. § 110.44(a)(2). For all the reasons discussed in Section II of this Answer, Westinghouse submits that Petitioners have wholly failed to aver any "new information" in their Petition for Intervention, let alone "new information" which could reasonably be understood as constituting "material changed circumstances." Therefore, Westinghouse submits that the standard for issuance of a license under 10 C.F.R. § 110.44(a)(2), also are met. In either event no public hearing is necessary, appropriate, or in the public interest, and a public hearing will not assist the Commission in making the statutory determinations required by the Atomic Energy Act.

B. Allowing the Untimely Petition for Intervention Would Impair the Goals of the NNPA and Potentially Damage This Nation's Foreign Policy.

In achieving the goals of the NNPA, it is essential that the United States be seen as a reliable supplier of nuclear components

¹¹ Petition for Intervention, p. 9.

and materials. This was made clear by the Executive and by the Congress in discussion of the NNPA legislation. Senator John Glenn, one of the leading proponents of the NNPA, in a letter which formed part of the Congressional history of the Act, stated as follows:

[A] vital factor in the success of any non-proliferation policy must be the need to assure other nations that we are a reliable supplier of nuclear technology and fuel. (Cong. Rec. S1318, February 7, 1978.)

The United States Government and the other nations which comprise the group known as "the G-7" have established a program for nuclear reactor safety assistance to central and eastern Europe. The proposed nuclear fuel shipment by Westinghouse to CEZ which is the subject of the current license application is in furtherance of that program and fully complies with the guidelines established by that program. Westinghouse submits that the public interest is served by United States participation in this program and that a discretionary allowance of intervention or hearing by the Commission in this proceeding under the present circumstances would be widely viewed as an action in derogation of the objectives of that program. Thus, Westinghouse submits that the intervention and hearing sought by Petitioners would serve to hinder rather than assist the United States in achieving its foreign policy objectives.

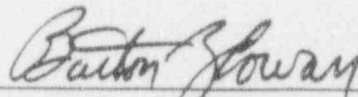
The Petition for Intervention is rife with suggestions that Petitioners, if an intervention or hearing were allowed, would seek to raise issues that are irrelevant to the Commission's export licensing criteria and would improperly intrude on the licensing

decisions of the sovereign Czech Republic. Examples of such irrelevant and diplomatically intrusive issues pertaining to health, safety and environment impacts within the Czech Republic can be found at pages 7-8 of the Petition for Intervention. The Commission's involvement in any of these purported issues would constitute blatant intrusion into the internal affairs of the Czech Republic. These purported issues have nothing whatsoever to do with the pending application for a license to export a limited quantity of nuclear fuel to CEZ. In effect, the Petitioners are asking the NRC to re-evaluate previous health, safety and environmental assessments made by the appropriate governmental entities of the Czech Republic. In its Westinghouse Philippines decision, the Commission recognized the legal barriers to, and the practical difficulties associated with, the conduct of health, safety and environmental reviews for a foreign reactor site and the potential damage to our foreign policy and national security interests which could result from such reviews (see supra, pp. 15-16). The Commission should not depart from the policies and principles enunciated in the Westinghouse Philippines decision by granting the Petitioners' intervention and hearing request.¹²

¹² Petitioners' suggestion for Recusal of the Chairman should be denied without comment. Generalized statements of a Commissioner with respect to support of U.S. nuclear export policies, even if forcefully presented, do not rise to the level of the type of conduct where recusal would be appropriate. Petitioners have submitted no evidence to indicate that the Chairman has prejudged this export license. Under Petitioners' apparent theory, the fact that the Chairman and the other Commissioners have recently granted other licenses for export of nuclear components and material to the Czech Republic also would lead to recusal--an absurd result.

WHEREFORE, Applicant, Westinghouse Electric Corporation, respectfully requests the Commission to deny the Petition for Intervention.

Respectfully submitted,



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Westinghouse Electric Corporation
Law Department
P.O. Box 355
Pittsburgh, Pennsylvania 15230
(412) 374-4690

Counsel for Applicant,
Westinghouse Electric Corporation

Dated: April 19, 1994

ATTACHMENT NO. 1

Westinghouse License Application No. XCOM-1049
(November 8, 1990)

APPLICATION FOR LICENSE TO EXPORT NUCLEAR
 MATERIAL AND EQUIPMENT (See Instructions on Reverse)

| | | | | | | | | | | | |
|---|--|-----------------------------------|--|--|--|---|--|--|---------------------------------------|---|--|
| 1. APPLICANT'S USE | | 4. DATE OF APPLICATION 11/8/90 | | 3. APPLICANT'S REFERENCE WSH-259-90 | | 2. NRC USE | | 6. LICENSE NO. | | 8. DOCKET NO. RIS | |
| 3. APPLICANT'S NAME AND ADDRESS RIS | | | | | | 4. SUPPLIER'S NAME AND ADDRESS (Complete if applicant is not supplier of material) RIS | | | | | |
| a. NAME William S. Hudec Westinghouse Electric Corporation | | | | | | a. NAME Westinghouse Process Control Division | | | | | |
| b. STREET ADDRESS 105 Mall Blvd Expomart 335 East | | | | | | b. STREET ADDRESS 200 Beta Drive | | | | | |
| c. CITY Monroeville | | | | STATE PA | | ZIP CODE 15146 | | c. CITY Pittsburgh | | | |
| d. TELEPHONE NUMBER (Area Code - Number - Extension) 412-374-7375 | | | | | | STATE PA | | ZIP CODE 15238 | | | |
| 5. FIRST SHIPMENT SCHEDULED April, 1991 | | 6. FINAL SHIPMENT SCHEDULED | | 7. APPLICANT'S CONTRACTUAL DELIVERY DATE | | 8. PROPOSED LICENSE EXPIRATION DATE December 31, 1995 | | 9. U.S. DEPARTMENT OF ENERGY CONTRACT NO. (If Known) | | | |
| 10. ULTIMATE CONSIGNEE RIS | | | | | | 11. ULTIMATE END USE (Include plant or facility name) Shipment of deliverables will be to the customer's power plants at the Temelin site in the Czech and Slovak Federative Republic (CSFR). | | | | | |
| a. NAME Ceske Energeticke Zavody Koncern | | | | | | 11a. EST. DATE OF FIRST USE | | | | | |
| b. STREET ADDRESS Jungmannova 29 111 48 | | | | | | 12. INTERMEDIATE CONSIGNEE RIS | | | | | |
| c. CITY - STATE - COUNTRY Prague 1, CSFR | | | | | | a. NAME | | | | | |
| 12. INTERMEDIATE CONSIGNEE RIS | | | | | | b. STREET ADDRESS | | | | | |
| a. NAME | | | | | | c. CITY - STATE - COUNTRY | | | | | |
| b. STREET ADDRESS | | | | | | 13. EST. DATE OF FIRST USE | | | | | |
| c. CITY - STATE - COUNTRY | | | | | | 13. INTERMEDIATE END USE | | | | | |
| 14. INTERMEDIATE CONSIGNEE RIS | | | | | | 14. EST. DATE OF FIRST USE | | | | | |
| a. NAME | | | | | | 15. INTERMEDIATE END USE | | | | | |
| b. STREET ADDRESS | | | | | | 15. EST. DATE OF FIRST USE | | | | | |
| c. CITY - STATE - COUNTRY | | | | | | 16. NRC USE | | | | | |
| 17. DESCRIPTION (Include chemical and physical form of nuclear material, give dollar value of nuclear equipment and components) | | | | | | 18. MAX. ELEMENT WEIGHT | | 19. MAX. WT. % | | 20. MAX. ISOTOPE WT. | |
| Plant Monitoring and Control Systems for Temelin Units 1 and 2 | | | | | | | | | | | |
| 22. COUNTRY OF ORIGIN - SOURCE MATERIAL | | | | | | 23. COUNTRY OF ORIGIN - SNM WHERE ENRICHED OR PRODUCED | | | | 24. COUNTRIES WHICH ATTACH SAFEGUARDS, IAEA OR OTHER PRODUCTION | |
| 25. ADDITIONAL INFORMATION (Use separate sheet if necessary) The Westinghouse proposal covers ungrades to safety related equipment, primary and secondary control system, plant information system, and control room. | | | | | | | | | | | |
| 26. The applicant certifies that this application is prepared in conformity with Title 10, Code of Federal Regulations, and that all information in this application is correct to the best of his/her knowledge. | | | | | | | | | | | |
| 27. AUTHORIZED OFFICIAL | | | | | | a. SIGNATURE William S. Hudec | | | b. TITLE Sr. License Administrator | | |

ATTACHMENT NO. 2

Commissioner's Approval of Issuance of License No. XCOM-1049
(July 29, 1992)



OFFICE OF THE SECRETARY

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

RELEASED TO THE PDR
8/13/91
Date initials

July 29, 1991

MEMORANDUM FOR: James R. Shea, Director
International Programs
Office of Governmental and Public Affairs

FROM: Samuel J. Chilk, Secretary

SUBJECT: SECY-91-203 - PROPOSED LICENSE TO EXPORT
PLANT MONITORING AND CONTROL SYSTEMS FOR
TEMELIN UNITS 1 AND 2 IN CZECHOSLOVAKIA
(WESTINGHOUSE-XCOM1049)

The Commission (with all Commissioners agreeing) has approved the issuance of an export license for two plant monitoring and control systems to Czechoslovakia. Although there were no comments on the paper, Commissioner Rogers felt that the Commission should formally vote on this matter because this is the first NRC-licensed export to Czechoslovakia.

- cc: The Chairman
- Commissioner Rogers
- Commissioner Curtiss
- Commissioner Remick
- EDO
- OGC
- GPA

SECY NOTE: THIS SRM, SECY-91-203, AND THE VOTE SHEET OF COMMISSIONER CURTISS WILL BE MADE PUBLICLY AVAILABLE 10 WORKING DAYS FROM THE DATE OF THIS SRM

710814021, 910720
FDR, 10CFR
PTC, 7 FDR

DF02
110

NOTATION VOTE

RELEASED TO THE PDH

8/13/91

g-

RESPONSE SHEET

TO: SAMUEL J. CHILK, SECRETARY OF THE COMMISSION

FROM: COMMISSIONER CURTISS

SUBJECT: SECY-91-203 - PROPOSED LICENSE TO EXPORT
PLANT MONITORING AND CONTROL SYSTEMS FOR
TEMELIN UNITS 1 AND 2 IN CZECHOSLOVAKIA
(WESTINGHOUSE-XCOM1049)

APPROVED DISAPPROVED ABSTAIN

NOT PARTICIPATING REQUEST DISCUSSION

COMMENTS:

Sam R. Wilkin
SIGNATURE

7-25-91
DATE

RELEASE VOTE

WITHHOLD VOTE

ENTERED ON "AS" Yes No

DF02
110

ATTACHMENT NO. 3

License No. XCOM-1049
(July 30, 1991)

EXPORT LICENSE

NRC FORM 250
(9-87)

NRC LICENSE NO.

THIS LICENSE EXPIRES 31 December 2000

United States of America
Nuclear Regulatory Commission

XCOM1049

Pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974 and the regulations of the Nuclear Regulatory Commission issued pursuant thereto, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued to the licensee authorizing the export of the materials and/or production or utilization facilities listed below, subject to the terms and conditions herein.

LICENSEE

ULTIMATE CONSIGNEE IN FOREIGN COUNTRY

NAME Westinghouse Electric Corporation
Northern Pike and Haymaker Road
ADDRESS WEC West, Bay 248
Monroeville, PA 15146

Attn: William S. Hudec

NAME Ceske Energeticke Zavody Koncern

ADDRESS Jungmannova 29 111 48
Prague 1
Czech and Slovak Federal Republic
(CSFR)

(For use in Temelin Units 1 and 2)

INTERMEDIATE CONSIGNEE IN FOREIGN COUNTRY

OTHER PARTIES TO EXPORT

NAME NONE

ADDRESS

Westinghouse Process Control Division
200 Beta Drive
Pittsburgh, PA 15238

(Supplier)

APPLICANT'S REF. NO. WSH-259-90

COUNTRY OF ULTIMATE DESTINATION Czech and Slovak
Federal Republic

QUANTITY

DESCRIPTION OF MATERIALS OR FACILITIES

Two (2)

Plant Monitoring and Control Systems

//////////////////////////////////////END//////////////////////////////////////

Neither this license nor any right under this license shall be assigned or otherwise transferred in violation of the provisions of the Atomic Energy Act of 1954, as amended and the Energy Reorganization Act of 1974.

This license is subject to the right of recapture or control by Section 106 of the Atomic Energy Act of 1954, as amended and to all of the other provisions of said Acts, now or hereafter in effect and to all valid rules and regulations of the Nuclear Regulatory Commission.

THIS LICENSE IS INVALID UNLESS SIGNED BELOW
BY AUTHORIZED NRC REPRESENTATIVE

Ronald D. Hauber
Ronald D. Hauber, Assistant Director
for Exports, Security, and Safety Cooperation
International Programs

DATE OF ISSUANCE JUL 30 1997

INFORMATION FOR CUSTOMS OFFICERS, POSTMASTERS AND LICENSEES

Upon receiving the validated license, the licensee must sign in the space provided. The Customs Officers or Postmasters must take up the license when presented unless a condition of this license permits the licensee to retain possession of the license. If the entire quantity licensed is to be shipped, the license should be marked Completed and returned to the United States Nuclear Regulatory Commission, Washington, D.C. 20555. If

only a partial shipment is to be made, the license shall be endorsed by the Customs Officers or Postmasters with a complete description of the articles exported. The license should be returned IMMEDIATELY to the United States Nuclear Regulatory Commission, Washington, D.C. 20555 upon export of entire quantity licensed. All licenses that are revoked or have expired must be returned by the holder immediately.

William S. Hudec

SIGNATURE OF LICENSEE

*Westinghouse Electric Corporat
P.O. Box 355
Pittsburgh, PA 15230*

ADDRESS

CUSTOMS OFFICERS OR POSTMASTERS WILL ENDORSE IN THE FOLLOWING SPACE INFORMATION
CONCERNING EACH SHIPMENT MADE UNDER THIS LICENSE

| QUANTITY | DESCRIPTION |
|----------|-------------|
| | |

NAME OF EXPORTING CARRIER

DATE OF EXPORTATION

PORT OF EXIT OR P. O. OF MAILING

SIGNATURE OF CUSTOMS OFFICER OR POSTMASTER

ATTACHMENT NO. 4

Westinghouse License Application No. XCOM-1078
(March 4, 1993)

APPLICATION FOR LICENSE TO EXPORT NUCLEAR MATERIAL AND EQUIPMENT (See Instructions on Reverse)

| | | | | | | | | | | | | | |
|---|--|--|--|---|--|---|--|--|--|----------------------|--|--------|--|
| 1. APPLICANT'S USE | | 3. APPLICANT'S NAME AND ADDRESS | | 5. APPLICANT'S REFERENCE | | 7. NRC USE | | 9. LICENSE NO. | | 11. DOCKET NO. | | | |
| March 4, 1993 | | RIS | | WSH-93-070 | | XCOM 1078 | | | | 11004628 | | | |
| 4. NAME | | | | 6. STREET ADDRESS | | | | 8. SUPPLIER'S NAME AND ADDRESS | | | | | |
| Westinghouse Electric Corporation c/o William S. Hudac FCV-248 | | | | Northern Pike & Haymaker Road | | | | Westinghouse Commercial Nuclear Fuel Division 5801 Bluff Road | | | | | |
| 7. CITY | | 8. STATE | | 9. ZIP CODE | | 13. CITY | | 14. STATE | | 15. ZIP CODE | | | |
| Monroeville | | PA | | 15146 | | Columbia | | SC | | 29205 | | | |
| 10. TELEPHONE NUMBER (Area Code - Number - Extension) | | | | | | 12. U.S. DEPARTMENT OF ENERGY CONTRACT NO. (If Applicable) | | | | | | | |
| (412) 374-3262 | | | | | | | | | | | | | |
| 16. FIRST SHIPMENT SCHEDULED | | 17. FINAL SHIPMENT SCHEDULED | | 18. APPLICANT'S CONTRACTUAL DELIVERY DATE | | 19. PROPOSED LICENSE EXPIRATION DATE | | 20. U.S. DEPARTMENT OF ENERGY CONTRACT NO. (If Applicable) | | | | | |
| 4/1/93 | | 6/95 | | | | 12/31/96 | | | | | | | |
| 21. ULTIMATE CONSIGNEE | | | | | | 22. ULTIMATE END USE | | | | | | | |
| a. NAME | | | | | | b. INCLUDES PLANT OR FACILITY NAME | | | | | | | |
| Skoda Koncern - Plzen | | | | | | For test and evaluation of fuel assembly components, control rods, and control rod components for VVER application. | | | | | | | |
| c. STREET ADDRESS | | | | | | 23. EST. DATE OF FIRST USE | | | | | | | |
| 31600 Plzen 16 | | | | | | | | | | | | | |
| d. CITY - STATE - COUNTRY | | | | | | 24. INTERMEDIATE END USE | | | | | | | |
| Czech Republic | | | | | | | | | | | | | |
| 25. INTERMEDIATE CONSIGNEE | | | | | | 26. INTERMEDIATE END USE | | | | | | | |
| a. NAME | | | | | | | | | | | | | |
| b. STREET ADDRESS | | | | | | | | | | | | | |
| c. CITY - STATE - COUNTRY | | | | | | | | | | | | | |
| 27. INTERMEDIATE CONSIGNEE | | | | | | 28. EST. DATE OF FIRST USE | | | | | | | |
| a. NAME | | | | | | | | | | | | | |
| b. STREET ADDRESS | | | | | | | | | | | | | |
| c. CITY - STATE - COUNTRY | | | | | | | | | | | | | |
| 29. NRC USE | | 30. DESCRIPTION | | | | 31. MAX. ELEMENT WEIGHT | | 32. MAX. WT. % | | 33. MAX. ISOTOPE WT. | | 34. UN | |
| | | (Include chemical and physical form of nuclear material; give dollar value of nuclear equipment and accessories) | | | | | | | | | | | |
| | | Fuel assembly components including, but not limited to, fuel tubes, instrumentation tubes, springs, nozzles, grids, heater rods, spiders, etc. Control rods and control rod components including, but not limited to, rodlets, hubs, spiders, etc. Total value: \$1,000,000. | | | | | | | | | | | |
| 35. COUNTRY OF ORIGIN | | | | 36. COUNTRY OF ORIGIN | | | | 37. COUNTRIES WHICH ATTACH | | | | | |
| SOURCE MATERIAL | | | | SOURCE MATERIAL OR PRODUCT | | | | SOURCES OF SOURCE MATERIAL OR PRODUCT | | | | | |
| Not Applicable | | | | Not Applicable | | | | | | | | | |
| 38. ADDITIONAL INFORMATION (See instructions on reverse) | | | | | | | | | | | | | |
| Due to the near-term shipment requirements, it would be appreciated if the NRC would expedite the issuance of this license. These components will not be sold to the ultimate consignee but provided to Skoda for test and evaluation on CNFD behalf. | | | | | | | | | | | | | |
| 39. The applicant certifies that this application is prepared in conformity with Title 10, Code of Federal Regulations, and that all information in this application is correct to the best of his/her knowledge. | | | | | | | | | | | | | |
| 40. AUTHORIZED OFFICIAL | | | | 41. SIGNATURE | | | | 42. TITLE | | | | | |
| | | | | William S. Hudac | | | | Sr. License Administrator | | | | | |

ATTACHMENT NO. 5

License No. XCOM-1078
(April 16, 1993)

THIS LICENSE EXPIRES 31 December 1996

APR 20 1993

XCOM1078

United States of America
Nuclear Regulatory Commission

Pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974 and the regulations of the Nuclear Regulatory Commission issued pursuant thereto, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued

to the licensee authorizing the export of the materials and/or production or utilization facilities listed below, subject to the terms and conditions herein.

LICENSEE

ULTIMATE CONSIGNEE IN FOREIGN COUNTRY

NAME Westinghouse Electric Corporation

ADDRESS Northern Pike and Haymaker Road
WEC West Bay 248
Monroeville, PA 15146

Attn: W. S. Hudec

NAME Skoda Konzern, Plzen

ADDRESS 31600 Plzen 16
Czech Republic

(To be used for test and evaluation for possible use in VVER reactors by Skoda Konzern, Plzen)

INTERMEDIATE CONSIGNEE IN FOREIGN COUNTRY

OTHER PARTIES TO EXPORT

NAME NONE

ADDRESS

Westinghouse Commercial Nuclear Fuel Division
5801 Bluff Road
Columbia, SC 29205

(Supplier)

APPLICANT'S REF. NO. WSH-93-070

COUNTRY OF ULTIMATE DESTINATION Czech Republic

QUANTITY

DESCRIPTION OF MATERIALS OR FACILITIES

Fuel assembly and control rod components only, including fuel tubes, instrumentation tubes, nozzles, control rod hubs, and control rod spiders.

This license does not authorize the export of a complete control rod system.

Total value of equipment to be exported is \$1,000,000.

//////////////////////////////////////END//////////////////////////////////////

Neither this license nor any right under this license shall be assigned or otherwise transferred in violation of the provisions of the Atomic Energy Act of 1954, as amended and the Energy Reorganization Act of 1974.

This license is subject to the right of recapture or control by Section 108 of the Atomic Energy Act of 1954, as amended and to all of the other provisions of said Acts, now or hereafter in effect and to all valid rules and regulations of the Nuclear Regulatory Commission.

THIS LICENSE IS INVALID UNLESS SIGNED BELOW
BY AUTHORIZED NRC REPRESENTATIVE

Ronald D. Hauber, Assistant Director
for Exports, Security, and Safety Cooperation
Office of International Programs

DATE OF ISSUANCE **APR 16 1993**

INFORMATION FOR CUSTOMS OFFICERS, POSTMASTERS AND LICENSEES

Upon receiving the validated license, the licensee must sign in the space provided. The Customs Officers or Postmasters must take up the license when presented unless a condition of this license permits the licensee to retain possession of the license. If the entire quantity licensed is to be shipped, the license should be marked "Completed" and returned to the United States Nuclear Regulatory Commission, Washington, D.C. 20555. If

only a partial shipment is to be made, the license shall be endorsed by the Customs Officers or Postmasters with a complete description of the articles exported. The license should be returned IMMEDIATELY to the United States Nuclear Regulatory Commission, Washington, D.C. 20555 upon export of entire quantity licensed. All licenses that are revoked or have expired must be returned by the holder immediately.

William S. Heide

SIGNATURE OF LICENSEE

*Westinghouse Electric Corporate
Northern Pike & Haymaker Road
Monroeville, PA 15146*

ADDRESS

CUSTOMS OFFICERS OR POSTMASTERS WILL ENDORSE IN THE FOLLOWING SPACE INFORMATION CONCERNING EACH SHIPMENT MADE UNDER THIS LICENSE

| QUANTITY | DESCRIPTION |
|----------|-------------|
| | |

NAME OF EXPORTING CARRIER

DATE OF EXPORTATION

PORT OF EXIT OR P. O. OF MAILING

SIGNATURE OF CUSTOMS OFFICER OR POSTMASTER

ATTACHMENT NO. 6

Westinghouse License Application No. XSNM-2749
(May 12, 1993)

APPLICATION FOR LICENSE TO EXPORT NUCLEAR
MATERIAL AND EQUIPMENT (See Instructions on Reverse)

| | | | | | | | | | | | | |
|--|--|--|--|--|--|---|--|--|--|---------------------------|--|----------|
| 1. APPLICANT'S USE | | 4. DATE OF APPLICATION May 12, 1993 | | 3. APPLICANT'S REFERENCE WSH-93-119 | | 2. NRC USE | | 6. LICENSE NO. XENM-02749 | | 5. DOCKET NO. 11074850 | | |
| 2. APPLICANT'S NAME AND ADDRESS RIS a. NAME Westinghouse Electric Corporation c/o William S. Hudec - EC-W 248 b. STREET ADDRESS Northern Pike & Haymaker Road c. CITY Monroeville STATE PA ZIP CODE 15146 d. TELEPHONE NUMBER (Area Code - Number - Extension) (412) 374-3262 | | | | | | 4. SUPPLIER'S NAME AND ADDRESS RIS a. NAME Westinghouse Commercial Nuclear Fuel Division b. STREET ADDRESS 5801 Bluff Road c. CITY Columbia STATE SC ZIP CODE 29205 | | | | | | |
| 5. FIRST SHIPMENT SCHEDULED 9/1/93 | | 6. FINAL SHIPMENT SCHEDULED 12/31/94 | | 7. APPLICANT'S CONTRACTUAL DELIVERY DATE | | 8. PROPOSED LICENSE EXPIRATION DATE 12/31/96 | | 9. U.S. DEPARTMENT OF ENERGY CONTRACT NO. (If Known) | | | | |
| 10. ULTIMATE CONSIGNEE RIS a. NAME Skoda JS Ltd., Nuclear Machinery b. STREET ADDRESS 31606 Plzen, Orlik - 266 c. CITY - STATE - COUNTRY Czech Republic | | | | | | 11. ULTIMATE END USE (Include plant or facility name) Hydraulic and mechanical tests for VVER fuel assembly development program. 11a. EST. DATE OF FIRST USE | | | | | | |
| 12. INTERMEDIATE CONSIGNEE RIS a. NAME b. STREET ADDRESS c. CITY - STATE - COUNTRY | | | | | | 13. INTERMEDIATE END USE 13a. EST. DATE OF FIRST USE | | | | | | |
| 14. INTERMEDIATE CONSIGNEE RIS a. NAME b. STREET ADDRESS c. CITY - STATE - COUNTRY | | | | | | 15. INTERMEDIATE END USE 15a. EST. DATE OF FIRST USE | | | | | | |
| 16. NRC USE | | 17. DESCRIPTION (Include chemical and physical form of nuclear material; give dollar value of nuclear equipment and containers) | | | | 18. MAX. ELEMENT WEIGHT | | 19. MAX. WT. % | | 20. MAX. ISOTOPE WT. | | 21. UNIT |
| | | Two (2) test fuel assemblies containing slightly enriched UO ₂ pellets. One dummy fuel assembly containing lead pellets (no uranium) Total Dollar Value = \$1,000,000 | | | | 1265 U | | 0.8 U235 | | 10.2 U235 | | Kgs. |
| 22. COUNTRY OF ORIGIN - SOURCE MATERIAL Not Available | | 23. COUNTRY OF ORIGIN - SOURCE ENRICHED OR PRODUCED Not Available | | | | 24. COUNTRIES WHICH ATTACH SAFEGUARDS HAS BEEN PRODUCED | | | | | | |
| 25. ADDITIONAL INFORMATION (Use separate sheet if necessary) At this time, we do not know if the origin of the source material will be Canada or Australia. Accordingly, we hereby request authorization to export up to 1265 Kgs. U of Canadian origin material and 1265 Kgs U of Australian origin material under this license. | | | | | | | | | | | | |
| 26. The applicant certifies that this application is prepared in conformity with Title 10, Code of Federal Regulations, and that all information in this application is correct to the best of his/her knowledge. | | | | | | | | | | | | |
| 27. AUTHORIZED OFFICIAL | | | | a. SIGNATURE William S. Hudec | | | | b. TITLE Sr. License Administrator | | | | |

ATTACHMENT NO. 7

License No. XSNM-2749
(September 2, 1993)

NRC FORM 230
19-87

NRC LICENSE NO.

THIS LICENSE EXPIRES 31 December 1996

United States of America
Nuclear Regulatory Commission

XSNM02749

Pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974 and the regulations of the Nuclear Regulatory Commission issued pursuant thereto, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued to the licensee authorizing the export of the materials and/or production or utilization facilities listed below, subject to the terms and conditions herein.

LICENSEE

ULTIMATE CONSIGNEE IN FOREIGN COUNTRY

NAME Westinghouse Electric Corporation
ADDRESS EC-W 248
Northern Pike & Haymaker Road
Monroeville, PA 15146

Attn: William Hudec

NAME Skoda JS Ltd.
Nuclear Machinery
ADDRESS 31606 Plzen, Orlik-266
Czech Republic

(Hydraulic and mechanical tests for VVER fuel assembly development program.)

INTERMEDIATE CONSIGNEE IN FOREIGN COUNTRY

OTHER PARTIES TO EXPORT

NAME NONE

Westinghouse Commercial Nuclear
Fuel Division
5801 Bluff Road
Columbia, SC 29205

ADDRESS

(Supplier)

APPLICANT'S REF. NO. WHS-93-119

COUNTRY OF ULTIMATE DESTINATION Czech Republic

QUANTITY
10.2 Kilograms

DESCRIPTION OF MATERIALS OR FACILITIES

Uranium-235

Contained in 1,265.0 kilograms uranium, enriched to 0.8 w/o maximum, in the form of two (2) test fuel assemblies. The shipment will also include one (1) dummy fuel assembly containing lead pellets (no uranium).

Conditions 6 and 8 on page two of this license apply to this export.

//////END//////

Note: No Canadian-origin or Australian-origin uranium material is authorized for export under this license.

Neither this license nor any right under this license shall be assigned or otherwise transferred in violation of the provisions of the Atomic Energy Act of 1954, as amended and the Energy Reorganization Act of 1974.

This license is subject to the right of recapture or control by Section 108 of the Atomic Energy Act of 1954, as amended and to all of the other provisions of said Acts, now or hereafter in effect and to all valid rules and regulations of the Nuclear Regulatory Commission.

THIS LICENSE IS INVALID UNLESS SIGNED BELOW
BY AUTHORIZED NRC REPRESENTATIVE

Ronald D. Hauber

Ronald D. Hauber, Assistant Director
for Exports, Security, and Safety Cooperation
Office of International Programs

DATE OF ISSUANCE SEP 2 1993

INFORMATION FOR CUSTOMS OFFICERS, POSTMASTERS AND LICENSEES

Upon receiving the validated license, the licensee must sign in the space provided. The Customs Officers or Postmasters must take up the license when presented unless a condition of this license permits the licensee to retain possession of the license. If the entire quantity licensed is to be shipped, the license should be marked "Completed" and returned to the United States Nuclear Regulatory Commission, Washington, D.C. 20555. If

only a partial shipment is to be made, the license shall be endorsed by the Customs Officers or Postmasters with a complete description of the articles exported. The license should be returned IMMEDIATELY to the United States Nuclear Regulatory Commission, Washington, D.C. 20555 upon export of entire quantity licensed. All licenses that are revoked or have expired must be returned by the holder immediately.

William S. Hudes

SIGNATURE OF LICENSEE

*Westinghouse Electric Corporation
Northern Pike & Haymaker Road
Monroeville, PA. 15146*

ADDRESS

CUSTOMS OFFICERS OR POSTMASTERS WILL ENDORSE IN THE FOLLOWING SPACE INFORMATION CONCERNING EACH SHIPMENT MADE UNDER THIS LICENSE

| QUANTITY | DESCRIPTION |
|----------|-------------|
| | |

NAME OF EXPORTING CARRIER

DATE OF EXPORTATION

PORT OF EXIT OR P. O. OF MAILING

SIGNATURE OF CUSTOMS OFFICER OR POSTMASTER

U.S. NUCLEAR REGULATORY COMMISSION
EXPORT LICENSE

Conditions

License Number YSNM02719

- Condition 1** — Licensee shall file with the Customs Officer or the Postmaster two copies, in addition to those otherwise required, of the Shipper's Export Declaration covering each export and mark one of such copies for transmittal to the U.S. Nuclear Regulatory Commission, Washington, D.C. 20555. The following declaration should accompany or be placed on the Shipper's Export Declarations for such exports:
- This shipment is being made pursuant to specific license number (**specific license number**) filed at (**location of Customs office where license is filed**), on (**date license was filed**). This license expires on (**expiration date of license**), and the unshipped balance remaining on this license is sufficient to cover the shipment described on this declaration.
- Condition 2** — Exports authorized in any country or destination, except Country Groups Q, S, W, X, Y, and Z in Part 370, Supplement No. 1, of the Comprehensive Export Schedule of the U.S. Department of Commerce.
- Condition 3** — This license covers only the nuclear content of the material.
- Condition 4** — The material to be exported under this license shall be shipped in accordance with the physical protection requirements for special nuclear material in 10 CFR 73.
- Condition 5** — Special nuclear material authorized for export under this license shall not be transported outside the United States in passenger-carrying aircraft in shipments exceeding (1) 20 grams or 20 curies, whichever is less, of plutonium or uranium 233, or (2) 350 grams of uranium 235.
- Condition 6** — This license authorizes export only and does not authorize the receipt, physical possession, or use of the nuclear material.
- Condition 7** — The licensee shall complete and submit an NRC Form 741 for each shipment of source material exported under this license.
- Condition 8** — The licensee shall advise the NRC in the event there is any change in the designation of the company who will package the nuclear material to be exported under this license, or any change in the location of the packaging operation, at least three weeks prior to the scheduled date of export.

ATTACHMENT NO. 8

Westinghouse License Application No. XCOM-1082
(July 27, 1993)

APPLICATION FOR LICENSE TO EXPORT NUCLEAR
MATERIAL AND EQUIPMENT (See Instructions on Reverse)

| | | | | | | | |
|---|--|---|--|--|--|-------------------------------------|--|
| 1. APPLICANT'S USE | | 2. NRC USE | | 3. LICENSE NO. | | 4. DOCKET NO. | |
| 17/17/93 | | WSH-93-196 | | | | RIS | |
| 3. APPLICANT'S NAME AND ADDRESS | | | | 4. SUPPLIER'S NAME AND ADDRESS | | | |
| a. NAME Westinghouse Electric Corporation 111 William S. Hudec - 301W 248 | | | | b. STREET ADDRESS | | | |
| b. STREET ADDRESS Northern Pike & Halmaker Road | | | | a. NAME | | | |
| c. CITY Monroeville, PA 15146 | | | | b. STREET ADDRESS | | | |
| d. TELEPHONE NUMBER (Area Code - Number - Extension) (412) 374-3262 | | | | c. CITY | | | |
| STATE | | | | STATE | | | |
| ZIP CODE | | | | ZIP CODE | | | |
| 5. FIRST SHIPMENT SCHEDULED | | 6. FINAL SHIPMENT SCHEDULED | | 7. APPLICANT'S CONTRACTUAL DELIVERY DATE | | 8. PROPOSED LICENSE EXPIRATION DATE | |
| 01/01/94 (Est.) | | 12/30/2005 (Est.) | | Not Applicable | | December 31, 2005 | |
| 9. U.S. DEPARTMENT OF ENERGY CONTRACT NO. (If known) | | | | | | | |
| 10. ULTIMATE CONSIGNEE | | | | 11. ULTIMATE END USE | | | |
| a. NAME Ceske Energeticke Zavody Koncern (CEZ a.s.) | | | | The equipment/technology exported under this application will be used in civilian nuclear power plants operating in the Czech Republic and those under construction and those to be constructed in the Czech Republic. | | | |
| b. STREET ADDRESS Jadema Elektrama Temelin | | | | 11a. EST. DATE OF FIRST USE | | | |
| c. CITY - STATE - COUNTRY 373 05 Temelin-Elektrama, Czech Republic | | | | 12. INTERMEDIATE CONSIGNEE | | | |
| 12. INTERMEDIATE CONSIGNEE | | | | 13. INTERMEDIATE END USE | | | |
| a. NAME Various Czech Republic Entities | | | | Several Czech Republic entities may be used to import, manufacture, assemble, and test components and systems covered by this license, or perform intermediate storage/shipment of such components/systems. | | | |
| b. STREET ADDRESS | | | | 13a. EST. DATE OF FIRST USE | | | |
| c. CITY - STATE - COUNTRY | | | | 14. INTERMEDIATE CONSIGNEE | | | |
| 14. INTERMEDIATE CONSIGNEE | | | | 15. INTERMEDIATE END USE | | | |
| a. NAME Westinghouse Energy Systems Europe S.A. | | | | Numerous services relative to the supply of components and systems. | | | |
| b. STREET ADDRESS Boulevard Papepsem 20 | | | | 15a. EST. DATE OF FIRST USE | | | |
| c. CITY - STATE - COUNTRY B-1070 Brussels, Belgium (continued) | | | | 1994 | | | |
| 16. NRC USE | | 17. DESCRIPTION | | 18. MAX. ELEMENT WEIGHT | | 19. MAX. WT. % | |
| | | (Include chemical and physical form of nuclear material; give serial number of nuclear equipment and components) | | | | 20. MAX. ISOTOPE WT. UNIT | |
| | | Equipment controlled by 10 CFR Part 110 Appendix A (5) through A (9) or, if regulations change A (5) through A (10), including the following systems and parts therefore: A. Plant Control Systems B. Reactor Control Systems C. Reactor Protection Systems D. Limitation Systems (continued) | | | | | |
| 22. COUNTRY OF ORIGIN - SOURCE MATERIAL | | 23. COUNTRY OF ORIGIN - END USE | | 24. COUNTRIES WHICH ATTACK | | | |
| Not Applicable | | Not Applicable | | 25. COUNTRIES WHICH ATTACK | | | |
| 26. ADDITIONAL INFORMATION (See insert sheet if necessary) | | | | | | | |
| 28. The applicant certifies that this application is prepared in conformity with Title 10, Code of Federal Regulations, and that all information in this application is correct to the best of his/her knowledge. | | | | | | | |
| 27. AUTHORIZED OFFICIAL | | a. SIGNATURE | | b. TITLE | | | |
| | | William S. Hudec | | Sr. License Administrator | | | |

Form NRC-7
(7-78)
10 CFR 110
(Continued)

APPLICATION FOR LICENSE TO EXPORT NUCLEAR
MATERIAL AND EQUIPMENT

Item 14. Intermediate Consignee (continued)

Westinghouse European Service Center
Rue de l'Industrie
1400 Nivelles, Belgium

Item 17. Description (continued)

- E. Post Accident Monitoring Systems
- F. Incore Neutron Flux Systems
- G. Excore Neutron Flux Systems
- H. Incore Thermocouple Systems
- I. Main and Emergency Control Rooms
- J. Fixed Wire Annunciators
- K. Diverse Shutdown Systems
- L. Field Mounted Instrumentation Systems
- M. Service/Test/Installation Tools and Service/Test/Installation Equipment
- N. Turbine Control Systems
- O. Unit Information Systems
- P. Non-Unit Computer Information Systems
- Q. Chemistry On-Line Monitoring System
- R. Digital Feedwater Control System
- S. Technology/Software Used With Equipment Covered by this License

William S. Ludec
7/27/93

ATTACHMENT NO. 9

License No. XCOM-1082
(September 3, 1993)

NRC FORM 250
9-871

NRC LICENSE NO.

THIS LICENSE EXPIRES 31 December 2005

United States of America
Nuclear Regulatory Commission

XCOM1082

Pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974 and the regulations of the Nuclear Regulatory Commission issued pursuant thereto, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued to the licensee authorizing the export of the materials and/or production or utilization facilities listed below, subject to the terms and conditions herein.

LICENSEE

ULTIMATE CONSIGNEE IN FOREIGN COUNTRY

NAME Westinghouse Electric Corporation

ADDRESS EC-W 248
Northern Pike & Haymaker Road
Monroeville, PA 15146

Attn: William Hudec

Ceske Energeticke Zavody Konzern (CEZ a.s.)
NAME Jademá Elektrama Temlin
373 05 Temelin-Elektrama
ADDRESS Czech Republic

(Equipment/technology exported under this license will be used in civilian nuclear power plants currently operating, or under construction, or to be constructed in the Czech Republic)

INTERMEDIATE CONSIGNEE IN FOREIGN COUNTRY

~~OTHER COUNTRIES TO WHICH EXPORT~~ Intermediate consignee in foreign country:

1. Westinghouse Energy Systems Europe S.A.
NAME Boulevard Papepsem 20
B-1070 Brussels, Belgium
2. Westinghouse European Service Center
ADDRESS Rue de l'Industrie
1400 Nivelles, Belgium
(To provide numerous services relative to the supply of components and systems)

3. Various Czech Republic Entities

(For import, manufacture, assemble, and test components and systems covered by this license, or perform intermediate storage/shipment of such components/systems)

APPLICANT'S REF. NO. WSH 93-166

COUNTRY OF ULTIMATE DESTINATION Czech Republic

QUANTITY

DESCRIPTION OF MATERIALS OR FACILITIES

Equipment controlled by 10 CFR 110 Appendix A (5) through (9) including the following systems and parts therefore: Nuclear systems, components and parts for plant control, reactor control, reactor protection, limitation, accident monitoring, incore and excore neutron flux control and monitoring, incore thermocouples, main and emergency control rooms, annunciators, shutdown, field mounted instrumentation, service/test/installation tools and equipment, turbine control, unit information, non-unit computer information, chemistry monitoring, feedwater control, associated technology and software.

//////////////////////////////////////END//////////////////////////////////////

Neither this license nor any right under this license shall be assigned or otherwise transferred in violation of the provisions of the Atomic Energy Act of 1954, as amended and the Energy Reorganization Act of 1974.

This license is subject to the right of recapture or control by Section 108 of the Atomic Energy Act of 1954, as amended and to all of the other provisions of said Acts, now or hereafter in effect and to all valid rules and regulations of the Nuclear Regulatory Commission.

THIS LICENSE IS INVALID UNLESS SIGNED BELOW BY AUTHORIZED NRC REPRESENTATIVE

Ronald D. Hauber

Ronald D. Hauber, Assistant Director
for Exports, Security, and Safety Cooperation
Office of International Programs

DATE OF ISSUANCE SEP 3 1993

INFORMATION FOR CUSTOMS OFFICERS, POSTMASTERS AND LICENSEES

Upon receiving the validated license, the licensee must sign in the space provided. The Customs Officers or Postmasters must take up the license when presented unless a condition of this license permits the licensee to retain possession of the license. If the entire quantity licensed is to be shipped, the license should be marked Completed and returned to the United States Nuclear Regulatory Commission, Washington, D.C. 20555. If

only a partial shipment is to be made, the license shall be endorsed by the Customs Officers or Postmasters with a complete description of the articles exported. The license should be returned IMMEDIATELY to the United States Nuclear Regulatory Commission, Washington, D.C. 20555 upon export of entire quantity licensed. All licenses that are revoked or have expired must be returned by the holder immediately.

William J. Hudec

SIGNATURE OF LICENSEE

*Westinghouse Electric Corporation
Northern Pike & Haymaker Road
Monroeville, PA 15146*

ADDRESS

CUSTOMS OFFICERS OR POSTMASTERS WILL ENDORSE IN THE FOLLOWING SPACE INFORMATION
CONCERNING EACH SHIPMENT MADE UNDER THIS LICENSE

QUANTITY

DESCRIPTION

NAME OF EXPORTING CARRIER

DATE OF EXPORTATION

PORT OF EXIT OR P. O. OF MAILING

SIGNATURE OF CUSTOMS OFFICER OR POSTMASTER

ATTACHMENT NO. 10

"Position Paper on the Temelin Nuclear Power Plant"
issued by the Czech Embassy
(March 3, 1994)

*Embassy of the Czech Republic
3900 Spring of Freedom St. N.W.
Washington, D.C. 20008*

**POSITION PAPER
ON THE TEMELIN NUCLEAR POWER PLANT**

Prepared by:

Jiří MAREK, Advisor to the Minister of Industry and Trade of the Czech Republic and Chairman of the Supervisory Board of the ČEZ Joint Stock Co. (Czech Power Company)

With the contribution of:

Břetislav HORÁK, Karel KRÍŽEK and Josef VÍTA, experts from ČEZ.

Washington, D.C., March 3, 1994.

*Phone: (202) 363-6315
Fax: (202) 365-3540*

INTRODUCTION

The Czech Republic as a part of former Czechoslovakia decided to rejoin Western industrial democracies more than four years ago after the "Velvet Revolution" in November 1989. In the course of these four years the Czech people exerted a tremendous effort of unprecedented nature -- to radically and irreversibly change both the political and the economic structure of the society. This change was accomplished against the background of political stability and social peace. The dissolution of former Czechoslovakia (sometimes called the "Velvet Divorce") serves as further evidence that our people can undertake even such a painful and difficult task in an orderly, lawful and non-violent way. By the end of 1993 most steps connected with the radical transformation of our society and economy were accomplished. The Czech Republic today is a parliamentary pluralistic democracy and a country with all basic systemic elements of a market economy. Since we share the same values as our Western partners, the Czech Republic has expressed its interest in joining the N.A.T.O., the European Union and the O.E.C.D.

The path towards achieving the level of development common to the O.E.C.D. countries is not an easy one. One of the many problems with overcoming the heritage of the Communist system and centrally planned economy is the fate of huge investment projects. The problems we are facing are manifold and they involve issues of economic, social, environmental and strategic importance.

The construction of Temelin Nuclear Power Plant ("Temelin NPP") is perhaps the best known and most complex project of this kind. Temelin is located in South Bohemia, approximately 60 miles south of the Czech capital Prague. The construction permit for Temelin NPP was issued in 1986; the work on the site started in 1987.

Due to the political and economic transformation in the Czech Republic after the 1989 revolution, the Temelin project has been very thoroughly reexamined. A decision was taken to reduce the number of the previously planned four units Russian type VVER-1000 MW units and to construct only two units and to substantially upgrade and improve the design and operational safety of Temelin NPP. As a result of the recommendations of many audits, review missions and investigations -- carried out during 1991 and 1992 by the International Atomic Energy Agency (IAEA), Vienna, and Halliburton NUS, Gaithersburg, Maryland, and many others - a decision was made to implement many substantial technological improvements to make the plant licensable not only in accordance with Czech standards and regulations but also in general accordance with Western standards and regulations expected to be in effect in the mid-1990s.

As regards the most relevant technological changes, tenders were opened for both Temelin NPP nuclear fuel supply and the instrumentation and control (I&C) system. As a result of these tenders, the Westinghouse Electric Corporation, Pittsburgh, Pennsylvania, was invited

to submit contract proposals. Following extensive negotiations, Westinghouse, in May 1993, signed a contract with ČEZ, the largest Czech power company.

As a result of privatization, ČEZ has been transformed into a joint stock company, where the Czech State at present retains the ownership of 67% of the shares.

ČEZ is responsible for at least 80% of the electricity production in the Czech Republic. Currently, electricity is generated mostly by lignite burning power plants (75% of ČEZ electricity production). The rest of ČEZ electricity is supplied by the first Czech NPP at Dukovany. Some of the coal burning power plants are obsolete and incapable of being economically retrofitted, and the whole process of lignite strip mining and combustion has produced serious environmental problems -- air and water pollution and soil degradation. The so called "Black Triangle" between the region of Northern Bohemia in the Czech Republic and neighboring areas in Poland and in the former G.D.R. are among the most polluted places not only in Europe but in the world. The high levels of pollution pose a serious problem for both the environment and human health.

It is also necessary to stress the crucial importance of the Temelin project from the perspective of the energy policy of the Czech Republic. Due to the composition of the Czech natural resources, coal -- especially the lignite -- and uranium are the only domestic energy sources fit for electricity production. The Czech Republic still depends heavily on foreign natural gas and oil supplies, currently obtained almost exclusively from the Russian Federation. Large energy dependence on foreign sources represents a certain degree of external vulnerability for the Czech Republic. Independence in electricity supply is thus a matter of national strategic importance.

The completion of Temelin NPP is without doubt the only viable energy option -- both economically and environmentally -- for meeting the Czech electricity demand at the turn of this century and beyond.

At present almost 90% of civil work and 60% of technological and engineering work at Temelin NPP construction site have been completed. The Westinghouse supplies of the I&C system and the nuclear fuel are necessary to complete the facility and to connect both units to the grid within the period of 1996 to 1998.

The financing of the Westinghouse supplies through commercial bank loans -- guaranteed by the EXIMBANK -- has been determined to be the best financial option for the completion of Temelin NPP. This issue was raised at the meeting between President Havel and President Clinton in April of 1993. The Czech Government provided its own guarantees for Temelin financing and it welcomed the additional support provided by the EXIMBANK. ČEZ took the tentative approval of EXIMBANK on January 27, 1994 as further evidence of this support. Between January 28 and March 4, 1994, the U.S. Congress has been reviewing the EXIMBANK action.

The Czech Republic is convinced that the completion of Temelin NPP in cooperation with Westinghouse is a desirable and viable bilateral project, bringing state-of-the-art American technology to Central Europe. Both parties benefit from this cooperation -- better technology leads to a better and safe Project.

The process of the U.S. Congressional review has been closely watched by some media and also by the opponents of nuclear power in general and of Temelin NPP in particular. During this review the Government of the Republic of Austria dispatched a special delegation to Washington to protest against the approval of the loan guarantees by EXIMBANK. The Czech Republic has conducted bilateral dialogue with the Republic of Austria on this issue on a continuous basis at all levels, including Heads of State and Heads of Government, and intends to do so also in the future. Our capitals -- Vienna and Prague -- are the most suitable places for such a bilateral dialogue.

This document confirms the position of the Czech Republic towards nuclear power as an integral and essential part of our electricity production and concentrates on those issues that in our view deserve attention at this point of time.

1. PUBLIC AND GOVERNMENTAL ACCEPTANCE OF NUCLEAR ENERGY IN THE CZECH REPUBLIC

The Government of the Czech Republic approved by its Resolution No.109 of March 1993 the activity of ČEZ to complete two units of Temelin NPP. The decision was taken as a follow-up of the "Energy Policy of the Czech Republic", adopted in February 1992 by the previous Czech Government of Prime Minister Pichart, where the completion of Temelin NPP was confirmed. The March 1993 decision was a result of a two-month-long discussion of Czech Ministers, during which all necessary aspects of the Project were evaluated, including public acceptance, operational safety, environmental aspects of electricity generation in the Czech Republic and economical efficiency of the Project. By its Resolution No. 606 of October 1993, the Czech Government gave its guarantees for the EXIMBANK-guaranteed commercial bank loans for the Westinghouse supplies of the I&C system and nuclear fuel for Temelin NPP.

The Czech Government strictly observed the relevant legal procedures. The Government approval of March 1993 represents only an approval of the decision of ČEZ as a private company to complete the nuclear power plant. The Government approval is not a substitute for the issuance of any required permit (for which the Government is not authorized). The necessary permits have been issued by the appropriate local authorities in accordance with the law. While the Czech Government was discussing the issue of completion of Temelin, a wide and open public debate was going on concerning this subject. This debate was conducted both in the media (press, TV roundtables) and among the citizens and their political organizations and other interested groups. The issue of completing Temelin NPP has also been discussed in detail in the presence of key Cabinet Members at a special

seminar in the Czech Parliament -- a meeting open to Deputies from all political parties as well as to the public.

Notwithstanding the openly expressed opposition from anti-nuclear groups and some environmentalists, the public support for Temelin NPP completion is very high. As a result of an opinion poll, conducted in March 1993 (i.e. at the time of the Government decision) by an independent agency (AISA), over 80% of the Czech population nationwide supported the completion of the Project. Even in the region of South Bohemia (1 million inhabitants), where Temelin is located, 65% of the population supported the completion of Temelin. The original resistance came -- not surprisingly -- mostly from the local communities. Their approach to the Project is at present more moderate -- ČEZ established a mechanism for regular contacts with the local communities, especially with the "People's Commission" (27 members) and with the "Association of Cities and Towns of the Temelin Region" (SMOR). There are at present 84 towns represented in SMOR. The meetings of mayors and other representatives with ČEZ continue, and written answers by ČEZ to their questions are being evaluated by the SMOR-selected experts. At these meetings a variety of issues concerning nuclear safety, environmental impact, and regional development have been discussed. The latest meeting took place on February 4, 1994.

We believe that the above mentioned procedures respect the spirit of the requirements stipulated by the new Czech environmental impact assessment Law No. 244/1992. There are, however, serious reasons why it is unacceptable to recognize retroactive validity of a law in the Czech legal system.

2. SAFETY AND ENVIRONMENTAL ASPECTS OF TEMELIN NPP

The safety of Temelin NPP will be comparable to the current Western nuclear plants. The Czech Government and ČEZ commissioned several independent reviews and audits and using their results, created an extensive upgrading program to further enhance the design and safe operation of the Plant.

ČEZ initiated several major design changes, implementing state-of-the-art U.S. technology, and expanded the scope of the safety analysis so that it is comparable to the scope of safety analysis required by U.S. law. ČEZ also reorganized project management following the recommendations contained in the reviews.

The original safety design criteria for Temelin were defined in Soviet document OPB 82, "General Safety Regulations of Nuclear Power Plants During Design, Construction and Operation". The current Temelin design goes well beyond satisfying the OPB 82 Soviet design criteria. The plant's design takes into consideration not only plant design and operational requirements, but also postulated severe external events and man-made threats.

Temelin NPP has implemented or is implementing, a significant number of modifications from the original Soviet design that will bring it into conformity with general Western design criteria. For example, Temelin NPP is committed to institute the safety-enhancement modifications developed by the U.S. NRC after the Three Mile Island accident. Likewise, a new instrumentation and control system, nuclear fuel, radiation monitoring system, equipment diagnostic system, and symptom-oriented emergency procedures are being provided that will meet applicable Western safety requirements.

Upgrading and transfer of advanced technology during construction and operation is an ongoing process. That occurs on nuclear projects around the world. Russian reactors, particularly the Lovissa NPP, operated successfully for decades, and were upgraded in Finland (West European I&C), Slovakia (West European I&C), and Hungary (the bid invitation specifications are being prepared for many improvements). ČEZ follows current world practices to upgrade existing nuclear power plants using suppliers selected on commercial basis and meeting specified technical and nuclear safety requirements. Therefore, it is not unusual that upgrading is accomplished by an organization different from the original supplier. This practice can in no way be considered as an artificial grafting of one technology to another. Also, it should be mentioned that Russian pressure water reactors (VVER) are based on technology which was first commercially introduced by Westinghouse and represents the largest portion of energy generated by nuclear facilities.

To further enhance safety culture in the Temelin project, ČEZ voluntarily selected Halliburton NUS, a reputable independent company, to perform an audit of Temelin NPP in 1991. While the principal focus of the audit was on nuclear safety and licensability, it also included other technical and management aspects of the Temelin project. Wherever appropriate, the audit resulted in findings and recommendations intended to improve Plant design and construction and operation. Based on the findings and recommendations, the audit drafted a corrective Action Plan. With the audit team's assistance, the utility elaborated a detailed Action Plan for the implementation of audit results. The Plant general designer and the original Russian designer have participated in the Action Plan implementation. Many tasks in the Action Plan have been accomplished and the remaining ones are in process in accordance with the current Plant schedule. The implementation of the Action Plan invalidates negative findings about the Temelin project made by previous reviews and audits (1990 IAEA Mission and all Halliburton NUS audits). All references to these findings - which are now two years old - are thus no longer valid.

Differences between Soviet VVER-1000 reactors and Western standards were repeatedly reviewed for the last time by an extra-budgetary IAEA program in 1993. The findings and recommendations made by the IAEA program in 1993 are consistent with those of the Halliburton NUS audit. Regarding Temelin NPP, the deficiencies identified earlier by IAEA missions and audit, were addressed by the Action Plan and the appropriate measures were taken. On the contractual bases the ČEZ is continuously receiving the technical information from Russia Atomenergoproekt. A group of Russian engineers works at the Temelin site, supervising

equipment installation, implementing design changes, and providing engineering support and design assistance. In addition, an agreement is being prepared at the governmental level on the nuclear cooperation with the Russian Federation which will create a framework for further close cooperation on improvements to the VVER-1000 plants. Russia is extremely interested in having access to the upgrades because of the need to improve their own nuclear power plants.

The licensing procedure in the Czech Republic is defined by the law. It is in many aspects similar to the procedure used in the U.S. In addition, the supplies by Westinghouse have to comply with the U.S. NRC requirements and standards (contractual commitment). The licensibility of Temelin NPP is enhanced by the modifications implemented and supported by Westinghouse safety analyses consistent with US NRC Reg. Guide 1.70. The existing Czech legislation contains most of the requirements common to nuclear legislation of Western countries.

Major components have been manufactured in the Czech Republic and in Western countries in compliance with quality assurance principles and standards. Compliance with the licensing requirements will be assessed by the appropriate regulatory body, with the cooperation of Western companies in the area of nuclear safety. The staff of the Czech nuclear regulatory body are being extensively trained by the U.S. NRC.

Starting in April 1993, systematic examination of Temelin NPP for severe accident vulnerabilities - Probabilistic Safety Assessment Study (PSA) - by a U.S. company has been an integral part of the Project and will be completed before the fuel loading into the first unit.

The evaluation of environmental impact is required by the Czech zoning and building law No. 50/1976. A preliminary environmental evaluation must be presented as part of the site license application. A full environmental report must be presented as part of the construction permit application. An environmental assessment within the scope of the preliminary safety report is required.

ČEZ elaborated the Temelin environmental impact evaluation study using U.S. Regulatory Guide 4.2 as a model. Topical reports prepared within the scope of the environmental study are listed in the Appendix. Each area was subject to the approval with appropriate licensing body and local government. Results and conclusions of the environmental study were included in the siting safety report submitted to the nuclear safety regulatory body (SUJB, formerly CSKAE) and as a part of the design documentation submitted to the local construction licensing authority.

The requirements of the new Czech Environmental Impact Assessment Law No. 244/1992 are not retroactively applicable to Temelin NPP since its construction started in 1987. The application of the mentioned Law could practically destroy the legal

environment in the Czech Republic by introducing principle of retroactivity with an unpredictable impact on economic reforms and thus setting a dangerous precedent.

As a problem of serious importance, the ultimate disposal of the radioactive waste is being solved within the Czech nuclear program. The solution does not differ from that employed by the U.S., Sweden, Spain and other countries with highly developed nuclear energy programs. Spent nuclear fuel is safely stored for the period of 50 years in an interim spent fuel storage facility and then ultimately disposed of into a deep underground repository. The period of 50 years is sufficient for the selection of the best site for the repository, with the best available technology and engineering barriers.

The interim spent fuel storage facility will be needed approximately in the year 2005, when the Temelin spent fuel has to be transferred from the Temelin storage pool into the central interim storage facility (MRS). The site selection procedure was started last year and the construction of this facility for the Temelin fuel will be started in the year 2000. As is the standard practice in the West, a portion of the operating costs of the plant will go into a special fund to cover the costs of the radioactive waste management.

3. ECONOMIC VIABILITY OF THE TEMELIN PROJECT

Wide discussion has taken place in the Czech Republic about the economic efficiency of the overall Czech electricity supply. Due to the newly imposed strict limits for off-gases releases into the atmosphere (as stipulated in the Law No.309/1991), the oldest lignite burning plants with the total output over 2000 MW will have to be shut down by the end of 1998. The rest of the power plants (over 7000 MW) will – by the same year – have to install flue-gas-desulphurization technology or have to be retrofitted by fluidized bed combustion technology. A wide program of electricity savings is already being implemented. A successful implementation of energy-saving measures will result in a decrease of the demand for electricity at the end of the 1990s, but not to a level which would make building a new power plant unnecessary. This conclusion has been confirmed by the analysis of a variety of plausible scenarios. The most probable scenario predicts that the electricity consumption in the year 2000 will be the equal to that experienced in 1990.

Evidence that the completion of Temelin NPP represents the best economic option was substantiated by a study conducted by the independent Belgian company, TRACTEBEL, and funded from the PHARE program of the EU. It is important to emphasize two of the many findings of this study:

- The completion of Temelin NPP has been evaluated as a cost-efficient option as compared to all other alternatives, including gas-combined cycle, etc;

- The electricity savings program based on the Demand Side Management method can save almost 1200 MW by the year 2010 -- a realistic estimate for the "high scenario" of electricity demand -- or save 720 MW according to the "most probable" scenario. By the end of the 1990s, the potential electricity savings are not expected to exceed 400 MW.

The "gas conversion" option, widely promoted by the opponents of Temelin NPP, has a number of flaws:

- energy dependence of the plant on natural gas supplies from the Russian Federation, thus resulting in an increased level of the overall dependence of the Czech economy on that single source;
- technological impossibility of utilizing most of the currently installed and completed equipment and structures of the Plant; and,
- enormous operational expenses and unpredictable investment costs. In the case of Austrian Zwentendorf NPP (constructed but never connected to the grid), the owner, G.K.T. Ltd., unanimously decided in November 1993 to cancel the previously envisaged conversion of this nuclear facility to a gas-fired power plant.

The claim that the Czech Government had to "abandon" its guarantees for a World Bank energy sector loan because it had to concentrate all its guarantees on Temelin NPP is unsubstantiated. The Czech Government has enough reserves in the state budget to accommodate both the Government guarantees for Temelin and guarantees for other loans if guarantees for such projects are considered indispensable. A thorough review involving the Government and the potential borrowers is presently being conducted to determine the necessity for Government guarantees for some possible loans, including the so called "Energy II". The Government guarantees for a cumulative debt service on the guaranteed loans for a given year should not exceed an equivalent of 8% of the expected budget receipts for that year. This law is being strictly observed. The Government guarantees for Temelin vary between 5% and 8% of the overall volume of the state budget allocated for Government guarantees.

CONCLUSION

The Czech position on the completion of Temelin NPP is based on an in-depth technical, economic, and environmental analysis and reflects the results of lengthy discussions both at the Government and public levels. The Czech Republic provided all the necessary information to the EXIMBANK and hopes that both our views and documents will be taken into consideration in the final decision on the EXIMBANK guarantees for the Westinghouse exports. The American involvement in the completion of Temelin NPP might represent a "flagship" of U.S.-Czech economic cooperation in general and in the nuclear power field in particular. By bringing the

necessary state-of-the-art technology to our country, this cooperation constitutes a further step towards improving the Czech Republic's technological capacity, creating an up-to-date power facility and conditions for a gradual improvement of our badly damaged environment. The present level of political and economic transformation of the Czech society and the professional capability and maturity of our technicians give us the confidence that Temelin NPP can and will be successfully completed and safely operated.

APPENDIX

LIST OF THE TOPICAL REPORTS ON THE TEMELIN ENVIRONMENTAL IMPACT

| | |
|--|--------------------------|
| Regional and historical monument survey of Temelin NPP Territory. | SURPMO/1981 |
| Urbanistic and regional assessment of villages Brezí, Temelínec. | VIDEOPRESS/1982,1983 |
| Survey of historical monuments in the JETE vicinity. | VIDEOPRESS/1982,1983 |
| Archcological survey of Temelin NPP site. | AÚ ČSAV/1981-1986 |
| Natural historical survey of Temelin NPP sits. | VIDEOPRESS/1982,1983 |
| Analysis of Temelin NPP impact on the environment, the population radiation exposure implications. | EGP/1980 |
| Climatic consequences of Temelin NPP cooling towers. | HMU Bratislava/1981-1983 |
| Influence of Temelin NPP on the environment, social and sociological implications. | DRUPOS/1981 |
| Temelin NPP - survey of the contaminants spread in ground water. | VUV/1983 |
| Influence of Temelin NPP on the environment. | UR VJT Kosice/1983 |
| Temelin NPP - impact of the activity on the fofestall vegetation. | VULHM/1982 |
| Temelin NPP - impact of an increased humidity on the forestall vegetation. | VULHM/1984 |
| Temelin NPP - the radwastes spread with surface and ground water. | MFF UK/1983 |
| Temelin NPP - the acoustic study. | EGP/1984 |
| Prognosis of the Vltava biological regime development due to Temelin related warming. | PrF UK/1986 |
| Temelin NPP influence on the Vltava river water quality. | VUV/1982 |
| Evaluation of the interaction between stacks and cooling towers plumes in nuclear facilities. | KRB/1986 |

APPENDIX

- Temelin NPP - impact of low-activity effluent. EGP/1991
- Research of Temelin NPP influence on the atmosphere and waters. VUV/1992
- Research of the main processes and factors influencing the quality of water, bottom sediment and aquatics, focused on the change of water quality in the Orlik lake due to Temelin NPP liquid effluent. VUV/1992
- Research of the Vltava river cascade's thermal regime. VUV/1992
- Connections between Temelin NPP site and South Bohemia basins in view of ground water uses. VUV/1992
- Implications of Temelin NPP operation for the forestall ecosystems and their ecological effect. VLHM Strnady/1992
- Impact of the spent fuel interim storage facility on the environment. UKE CSAV/1991-1992
- Expert opinion on the spent fuel interim storage facility at the NPP Dukovany as required by §9 of the Act No. 244/1992 Code on environmental impacts. UJV Rez/1992
- Expert opinion on the influence of Temelin NPP operation for the alternatives of Vltava water treatment. VUV/1993

ATTACHMENT NO. 11

Letter to Mr. Kenneth Brody
Chairman and President
Export-Import Bank of the United States
(March 9, 1994)

9 March 1994

Mr. Kenneth Brody
Chairman and President
Export-Import Bank of the United States
811 Vermont Avenue N.W.
Washington D.C. 20571

Dear Mr. Brody:

At the outset, please allow me to thank you for the tentative approval of the issue of the loan guarantees for the export of nuclear fuel and instrumentation and control systems for Nuclear Power Plant Temelín. I hope that last week's mission to Washington consisting of my personal advisor and technical experts of ČEZ assisted in completing and strengthening the information and documentation to be used for your final decision on the issue of the guarantees of the financing of NPP Temelín. I trust that such information and documentation at the same time conclusively answered certain allegations being expressed in Washington, mainly by the Special Delegation of the Government of Austria to the United States. I therefore hope that your final decision concerning the NPP Temelín transaction will be positive.

I am pleased to provide you with further answers to your questions concerning public participation in the important Temelín project, transmitted to me through the Czech Ambassador to Washington, Mr. Žantovský. In the attachments you will find a detailed clarification of the legal framework for evaluating the effect of NPP Temelín on the environment and further relevant information. In addition, please allow me to touch on several important matters.

Firstly, the siting decision concerning NPP Temelín was made in 1985 and the environmental impact assessment was completed in accordance with the legislation then in effect. Allow me, however, to add that the scope of the studies actually carried out significantly exceeded the statutory requirements. For example:

DUZ:PRVZ/DOUGS/CEZ;MARKET/TK

- o the majority of the environmental impact assessments was carried out by large scientific teams, which were in accordance with then current practice fully or partially paid from the state budget and which were subject to expert opponents' reviews (peer review). These reviews were accessible to the public.
- o the site selection was based on high quality information concerning the geology of the Czech Republic. This geological information was a result of an extremely thorough survey of the entire Czech territory. Survey of such scope was, for example, achieved in Sweden only in connection with the need to establish a site for the underground spent nuclear fuel repository.

In substance, the documents and studies which have been prepared meet the scope of the requirements set out in Law No. 244/1992 on Environmental Impact Assessment, which was recently adopted by our democratically elected Parliament. Access to these documents is unlimited and the conclusions of these studies were and are being used in the course of public discussions about the effect of NPP Temelin on the environment.

Secondly, I would like to draw your attention to several elements which enable the public to participate using our legal system. Namely:

- o the duty of the independent State Office for Nuclear Safety (SUJB) to present to the Government and Parliament of the Czech Republic quarterly and annual reports on its activities in the area of nuclear safety regulation. This regulatory role extends to operating nuclear facilities well as to nuclear facilities under construction. Because these reports are public, they may at any time become the subject of discussions and debate.
- o the existence of a concept of "interpellation" in our Parliament. This legal principle, based on the Constitution of the Czech Republic, enables the members of the Parliament to pose questions to the Government or the relevant Minister, to which a response must be by law provided within a period of thirty days. The record of the responses is made available to the entire Parliament. The concept of "interpellation" therefore enables not only members of Parliament, but through them, also the voters, to be involved in the matters being dealt with until their final resolution. Individual voters and more frequently, special interest groups, resort to the process of "interpellation" to express their views. For example, during February's session of Parliament, three "interpellations" in respect of Temelin NPP were presented to the Government. The fact that in the Czech Republic each member of Parliament represents approximately only 35,000 voters, should enable you to understand that the interests of individuals can be quite effectively defended.
- o It is important to also consider at the same time, that power company ČEZ intends to act in a manner which is in line with the conduct of

similar electrical utilities in Europe. In the case of NPP Temelin, this means a maximum effort to interact with the public in the neighboring communities, maximum openness with respect to information concerning the nuclear safety of the power plant and its effects on the environment, and cooperation with the governments of the relevant local municipalities and townships. The experience with public relations from the region where the first Czech Dukovany NPP is operating proves that this approach yields good results.

Thirdly, I would like to state that the location of the Czech Republic in the heart of Europe, as well as our clear orientation to membership in the European Union practically necessitate harmonization of our legislation with the legislation of the EU. For example, Law No. 244/1992 was based on the "Council Directive 85/377/EEC of June 27, 1985 on the Assessment of the Effects of Certain Public and Private Projects on the Environment". One of the steps in adopting our legal framework to the EU will be adoption of a law concerning the right to access to information (Right to Know) in accordance with "Council Directive 90/313/EEC of June 7, 1990, on the Freedom Access to Information on the Environment". Our new Nuclear Energy Law will pay special attention to the right to know. The latest drafts of this law describe the scope of the documentation to be provided to the public by the owner of a NPP. The relevant provision of the law will be consistent with the appropriate EU legislation. Exactly for this reason all information on the state of the environment is already now being made available. NPP Temelin can in no event be an exception.

Our open approach will only be limited by Czech law and CEZ policy dealing with protection of proprietary and confidential information. For example, the audit carried out by Halliburton NUS consisted to a large extent of matters related to internal organization of CEZ, commercial policy, personnel issues and proprietary technologies.

Of course, these substantial parts of the audit shall not be produced to the public, and indeed, it would be unusual to do so. Nevertheless, CEZ has already implemented a procedure allowing the public to have access to extensive information concerning NPP Temelin, including information about the existing environmental impact studies and results of safety assessments. A broad range of information is available for review at the Public Relations Department of the head office of CEZ in Prague and in the Information Centre of NPP Temelin. Specific additional information can be requested in writing.

I hope, dear Sir, that my letter will be interpreted as further evidence of our intention to pay permanent and special attention to the effect of NPP Temelin on the environment, and to ensure that the interested public can participate in the process. I trust that the above will enable the Export-Import Bank of the United States to approve our request for loan guarantees.

Yours sincerely,

COMMUNICATION MECHANISM BETWEEN ČEZ AND THE PUBLIC AND PARTICULARLY THE INHABITANTS IN THE NPP TEMELÍN REGION.

The natural need of the power company to communicate with the public led ČEZ to create a professional communication system in spite of the fact that no legislation requires ČEZ to establish such a broad and open system. It is only logical that the open information policy of ČEZ has positive effects also in the areas surrounding the Temelín Power Plant.

The above purpose is also served by a monthly called the Temelín News which is distributed free-of-charge to households located in the twenty kilometer perimeter of the plant. The Temelín News give answers to all questions which the public wishes to know in connection with the nuclear power station and its operation.

Regular news and close cooperation with the mass media have become customary. All interested parties are invited to the information center, open year-round, where staff are prepared to answer visitors' questions regarding construction, safety and environmental impact of the nuclear power plant. The opportunity to visit and tour the plant is widely used by schools from the whole of the Czech Republic, by inhabitants of the surrounding municipalities and communities and also by citizens from neighboring Austria. In 1993 some 13 thousand visitors came to see the plant in construction.

The use of nuclear energy is more accepted in the Czech Republic than in the majority of western countries. This is also manifested in the public attitude towards the completion of the Temelín plant. More than 80% of Czech citizens desire at least two blocks to be completed. This attitude has not changed in the past years and has been stable since 1991 when the issue was raised for the first time.

Cooperation between NPP Temelín and the Public Commission

Operators of the majority of nuclear power plants in Europe enable inhabitants in the region to carry out their own inspection of the plants and to be in a close relationship with the operators through what are called public commissions. Members of the commissions are representatives of individual municipalities in the regions of the respective plants.

In a gathering of municipalities which took place shortly after November 1989, NPP Temelín initiated the formation of a public commission in the region of Temelín. Initially, people were quite interested in participating in the commission which had about 80 members. The commission met several times a year and its members acquainted themselves with the construction, results of various IAEA missions and results of safety analyses and environmental impact analyses of the plant.

Since 1993 the role of the Public Commission has been gradually assumed by the Association of Municipalities and Communities in the NPP Temelín region.

Communication with the association of municipalities and communities in the Temelín NPP region

The Association of Municipalities and Communities (SMOR) in the JE Temelín region was established in mid-1992 and brings together representatives of the majority of municipalities and communities in the 20 km perimeter of the plant. Currently, representatives of 84 municipalities and communities (out of 99) with 100,000 inhabitants are members of SMOR. The association is headed by the chairman and the council of 10 members (2 representatives of the region, 1 representative of the Temelín municipality).

At present SMOR strives to ensure that regional interests and environmental impacts are taken into due account, and to supervise the construction schedule and maintenance of safety standards in the plant.

The representatives of SMOR regularly meet with ČEZ experts. At such meetings ČEZ experts answer questions selected from 60 expert themes regarding completion of the plant. Based upon completed analyses and documents ČEZ representatives prepare detailed and well-founded answers to which city mayors may prepare their comments for joint meetings. It is therefore a practical method of allowing the public representatives to familiarize themselves with all aspects of the construction and future operation of the Temelín nuclear power plant. If an issue arises on which the representatives may have differing opinions, the answer will be prepared by an internationally recognized expert of the construction as agreed upon by SMOR and ČEZ a.s.

The first meeting between SMOR and ČEZ experts took place on September 17, 1993 and was followed by another meeting on November 12. The meeting was attended by representatives of Westinghouse as the supplier of the instrumentation and control system.

This year the series of meetings between SMOR and ČEZ representatives continues. The first meeting was held on February 4. The meeting is scheduled for April 7.

Results of such meetings are regularly published in press releases of the regional paper Jihohodské listy and in the Vitavín bi-weekly.

DOCUMENTATION OF THE INFLUENCE OF TEMELIN NPP ON THE ENVIRONMENT

Preparation of documentation on the influence of NPP Temelin on the environment has been proceeding since the early 80's, and is still continuing. In the first half of the 80's the documentation of the influence of Temelin on the environment was prepared as an obligatory part of material submitted with an application siting of the plant and for the construction permit. According to legislation valid at that time, the applicant for siting of the plant and the construction permit was required to include documentation on the influence of the plant on the environment with the design documentation which was submitted to the appropriate public authorities (people's administration), state supervisory authorities and the construction office as a part of the application for the decision. Even special-interest groups took part in the negotiations, and they provided a further possibility for public access to the NPP Temelin environmental impact documentation. Nuclear safety aspects of the Temelin NPP environmental impact review were documented in the siting safety report reviewed by the State Office for Nuclear Safety (now SÚJB) before the release of its decision on the Temelin NPP siting.

The preparation of documentation concerning the influence of the Temelin NPP on the environment continues for the purpose of administrative proceedings which have not yet been completed, such as the decision on the discharge of wastewater.

The scope of the analyses evaluating the influence of NPP Temelin on the environment is set forth in regulations of general application. On the basis of the experience with matters of environmental protection during the construction and commissioning of NPP Dukovany in the 70's and in connection with the worldwide trends in evaluating ecological issues on large-scale projects, CEZ prepared an evaluation of the influence of the construction and operation of NPP Temelin on the environment which considerably exceeded the scope prescribed by regulations valid in Czechoslovakia at that time. The model for CEZ's environmental evaluation of NPP Temelin was American regulation RG 4.2, which formed the basis of the scope and depth of the individual studies on the influence on the environment.

The evaluation of the influence of Temelin NPP on the environment could not be carried out by one single Czechoslovak organization at that time. For this reason, CEZ looked for the most capable contractors in individual areas, mostly among specialized research institutes. In many cases the contractor of the individual studies was the appropriate section of the Czechoslovak Academy of Sciences (CSAV), which completed the study of the Temelin site as an applied research task connected to its research activities. Some of the studies were paid for by CEZ, but a number of the research organizations and institutions of the CSAV preparing evaluating materials for the Temelin site received financing from the government. CEZ accepted the studies on the influence of the construction on the environment from the contractors after discussion of input data, methodology and interpretation of the results with the relevant technical supervisory bodies (including state supervisory authorities) and representatives of the local government. CEZ submitted the studies to expert organizations in Czechoslovakia operating in the same field for review, to the extent such organizations were available, for the purpose of increasing the expert level of the evaluation. A complete summary

of the ecological evaluations in individual areas was carried out by the Institute of Radio-Ecology and Use of the Nuclear Technology in Kosice, a national laboratory for scientific research in this field. The results of the evaluation of influences on the surrounding ecosystem were incorporated into the decision documentation of the plant (the chapter dealing with the evaluation of the influence of the construction on the environment) and into the safety report.

The representatives of the local government who took part in the discussions of the results of the research, have had the opportunity to organize citizens' meetings where discussion of the research results were held. However, even in cases where no interest was shown in organizing meetings dealing specifically with the influence of the plant on the environment, the local governments used the information and data obtained in the research in discussions with the residents during the decision-making process on the siting and the commencement date of the construction of the NPP. In a number of cases, CEZ, in the manner exceeding requirements of legislation valid at the time, requested the local governments to organize meetings with residents, in which the Plan was introduced and explained, and the overall influence of the construction on the environment, including its demographic aspects, was justified.

A basic condition for the location of the NPP was to minimize the influence of the plant on the environment. CEZ made the results of the evaluation of the plant on the environment available to the public as supporting material for the decision to implement the construction of the NPP. The conclusions of the assessment of the influence of the plant on the environment are permanently available in the Information Center of the Temelin NPP, and have been presented during discussions by CEZ with citizens within the SMOR. In no case is the qualified environmental impact documentation considered confidential.

The study of the evaluation of the ecological impact of the plant was also submitted to the IAEA mission in the Spring of 1990. IAEA worked in detail only on those aspects which related to nuclear safety.

Section 22 of Czech National Council Act of April 15, 1992 "On Evaluation of Influence On the Environment" states that this law cannot be applied to the construction of the NPP Temelin, for which the decision was already released in 1985.

In the supplement to the material is a comparison of the scope of the ecological study as specified by Act No. 244 with the ecological studies compiled for NPP Temelin integrated into the construction documentation and safety reports.

For the purpose of encouraging the public's awareness of the construction of Temelin NPP and its possible influence on the environment, the Czech government, upon the request of CEZ, gave the IAEA in 1990 its consent to freely distribute all the reports of the IAEA missions to Temelin. When the audit was completed, CEZ authorized Halliburton NUS to make a press release on the audit findings and recommendations. Furthermore, the Halliburton NUS project director was interviewed by a local newspaper. CEZ and Halliburton NUS presented overall results of the audit of the construction of NPP Temelin at the Eurofora conference in 1992.

Supplement to List of Environmental Reviews of Temelin Site

Atlas of isoseismic maps - Central and Eastern Europe
Feasibility study of NPP Temelin for southern Bohemia (4x1000 MW)
Comparative study regarding location of NPP Temelin in southern Bohemia in the
Dubenec - Temelin area
Environmental impact study (nuclear safety)
Research of cultural monuments and landscape
Social and sociological research
Ground water system in the area of NPP Temelin
Surface water quality and supply in the are of the NPP main construction site
Hydrogeological situation in the area of NPP Temelin construction site
Radiological research for the purpose of NPP Temelin construction
List of surface water sources from the Vltava and the Labe below the confluence with
the Labe
Current and planned use of ground water in the extended area of NPP Temelin
Research of non-drinking water
Climatic description of NPP Temelin
Geological research
Seismic risks - NPP Malovice
Archaeological research - NPP Temelin
Scientific research - NPP Temelin
Ethnographic research - NPP Temelin
Diffusion of radioactive substances in ground water in the areas surrounding NPP
Temelin
Acoustic research
Seismic research
Meteorological description
Research of external factors
Research of water supply, clarification tests
Effect of the transit gas pipeline on NPP Temelin
Gas pipeline potential incident - research
Overview of research studies for the Vodní stavby project assignment
Projected thermal impact on the Vltava river
Evaluation of the current and projected water quality in the Vltava in the areas of
Hněvkovice and Kofensko
Projected eutrophication processes in the Hněvkovice and Kofensko reservoirs and their
impact on water quality in 1994, with estimates for successive years
Evaluation of the current situation and projected radioactive substance activity in the
NPP Temelin areas of interest
Final report on the geophysical research on the NPP Temelin area
Research on the use of water from the Vltava - update
Water supplies and selection of water sources in the perimeter of 6 km around NPP
Temelin
NPP Temelin - hydrogeological situation
Comparison of meteorological data Temelin - Bečlíně

LEGAL FRAMEWORK OF NPP TEMELÍN COMMISSIONING AND THE POSSIBILITY OF PARTICIPATION OF THE PUBLIC IN THIS COMMISSIONING

The construction of NPP Temelín is subject to the regime set forth by Building Act No. 50/1976 Coll., as amended by Act No. 103/1990 Coll. and Act No. 262/1992 Coll. The regulations implementing the Building Act include: Decree No. 84/76 Coll. "On the Territorial Planning Data and Territorial Planning Documentation", Decree No. 85/76 Coll. "On the More Detailed Regulation of the Territorial Proceeding and on the Building Rules", also as amended by succeeding regulations, i.e. by Decrees Nos. 376, 377, and 378/1992 Coll.

The building proceeding itself (the proceeding regarding the building permit) is based on the territorial proceeding resulting in the territorial decision. The participants in the territorial proceeding are the proposer (the future builder) and legal or natural persons conducting their businesses under special regulations, or citizens whose ownership or other rights to the land or structures, or constructions including adjacent lands and structures, might be directly affected by the decision. If the municipal office is not the building office, also the municipality shall be the participant in such proceeding.

The Building Act orders the building office that performs the territorial proceeding, to examine the submitted proposal also in respect of impacts on the environment. If the submitted proposal does not give sufficient grounds for the assessment of the proposed construction location in the said respect and if it is not completed within the set term, the building office shall discontinue the territorial proceeding.

The participants in the building proceeding that is initiated by an application for the building permit shall be the builder as well as legal and natural persons conducting their businesses under special regulations, and citizens that have ownership or other rights to the adjacent lands or structures and whose rights or interests protected by law or obligations might be affected by the building permit. The municipality has the position of an affected body of the state administration the opinion of which must be taken into account by the building office.

In addition, the Building Act or Decree No. 83/76 Coll., as amended, sets forth in respect of the building proceeding, that the adverse impacts and influences of construction and construction equipment must not worsen the living environment on the site and their vicinity over the permissible level. The compliance with such requirements shall be evidenced by the results of respective measurements.

In summary, although the impact of the NPP Temelín construction has not been discussed publicly in accordance with Act No. 244/1992 Coll. under the territorial or building proceedings, the Building Act and its implementing regulations give an opportunity to express even negative opinions of non-governmental organizations (which were not participants to the proceeding), through elected representatives in representative bodies at the level of communities, regions and the Republic as described below.

In this connection, the act "On the Procedural Rules of the Czech National Council" (Act No. 35/1989 Coll., as amended by succeeding regulations) provides the Parliament of the Czech Republic and its members (whether individuals or groups) with considerable powers in the area of the public control of the government and its individual ministries.

The Chamber of Deputies of the Parliament and its individual members are entitled to ask questions of the Government of CR and the Ministers in any matters within its authority. The Government or the Minister shall be obliged to respond to these questions within 30 days. Such response is made available for the entire Chamber of Deputies and the relevant member has to express his/her satisfaction or dissatisfaction with the response.

At any meeting of the Chamber of Deputies or committees of the Chamber of Deputies, the members may submit suggestions and comments in respect of any matters. Also, the members of Parliament may request the members of the Government and other state authorities to give information and explanations needed for the performance of such representatives' duties. The powers above are widely used by the representatives, especially as a reaction to the notices and questions raised by their voters with whom they maintain regular contacts.

POWERS AND AUTHORITY OF THE STATE OFFICE FOR NUCLEAR SAFETY.

The State Office for Nuclear Safety ("SÚJB", hereinafter the "Office") was established by the CNC ("Czech National Council") Act No. 21 as of December 21, 1992 as a central body of the state administration of ČR. Pursuant to the Constitutional Act No. 4/92 as of February 15, 1992 "On Measures Connected with the Dissolution of CSFR", the Office assumed the regulatory functions of the former CSKAE ("The Czechoslovak Commission for Nuclear Energy"). These functions were introduced by Building Law No 50/1976 Coll. and extended by Act No. 28/84 Coll. "On the State Supervision of Nuclear Safety of Nuclear Facilities." The final version of its authorities was provided by Act No. 287/93 Coll. as of November 11, 1993 that sets forth the following activities to be performed by the Office:

- state supervision of nuclear safety of nuclear facility, disposal of radioactive waste from nuclear facilities and of spent fuel.
- state supervision of nuclear materials including their accounting and control,
- state supervision of the physical protection of nuclear facilities and nuclear materials.

The Office does not perform any promoting activities in the area of nuclear energy, it plays only a regulatory and control role. It is headed by its chairman appointed by the Government of the Czech Republic. The independence of the Office upon other bodies of the state administration is given, without limitation to, by its own budget chapter that is discussed and approved by the Parliament of ČR.

The most significant authorities of the Office's chairman include the power to order, in case of an immediate danger, to take any and all necessary measures, including the reduction of output or shut-down of the nuclear facilities. Under the new Nuclear Act, which is under preparation, the position of the Office will further be enhanced by its consolidation with bodies of the radiation protection supervision.

The Office prepares regularly quarterly and annual reports on the results of its activity that are delivered to various organizations, including chairmen of municipal offices in the regions where nuclear power plants are located, and to chairmen of the Committee for the Environment and the Economic Committee of the Parliament of ČR.

The annual report is discussed by the Government of ČR that, as a rule, takes its decision on such report.

The documentation that underlies the Office's decisions, as well as the conclusions and findings of the inspection activities are available for any official discussion. Any and all activity of the Office are subject to the public control by the Parliament of ČR. This creates a clear flow of information between and among the Office, Parliament, and voters.

The openness and transparency of the system of supervision of nuclear safety in ČR are also confirmed by conclusions of an international audit (RAM(i) made by EU in the framework of the PHARE program. The regulatory system in ČR is by its concept quite close to those systems used in Western Europe. The only more substantial difference consists in the fact that the approvals by the Office of the siting, construction and operation of nuclear facilities serve a mere underlying material for decisions to be taken by a local state administration that ultimately decides on whether the implementation of the equipment is or is not in the interests of the given region. This way of commissioning the construction of nuclear power plants in ČR substitutes the "public discussions".

All evidence more to the open and constructive approach to the issues of nuclear safety in relation to the neighboring countries are bilateral agreements entered by and between ČR, FRG, Hungary and Austria.

Under a long-term intergovernmental agreement with Austria, ČR submits regularly the Austrian site yearly information on the implementation of the nuclear program in ČR, and on the nuclear safety issues. The regular annual discussions of experts of both states serve an official forum for an open exchange of opinions and information, including the search for the forms of mutually beneficial cooperation.

As part of the official cooperation between the Office and US NRC, a project regarding the training of the Office's inspectors in selected aspects of Temelín NPP licensing in the Idaho National Laboratory has been prepared and is in the final phase of its preparation. This program of support by NRC will contribute to a further harmonization of commissioning regarding the construction of nuclear power plants in ČR and USA.

ATTACHMENT NO. 12

State Department letters notifying the NRC of its approval
of the issuance by the NRC of License No. XSNM-02785
(March 21, 1994, and April 8, 1994)



United States Department of State

Washington, D.C. 20520

March 21, 1994

Mr. Carlton R. Stoiber
Director, International Programs
United States Nuclear Regulatory Commission
Rockville, Maryland

Dear Mr. Stoiber:

I refer to the letter from your office dated December 21, 1993, requesting the views of the Executive Branch as to whether issuance of an export license in accordance with the application hereinafter described meets the applicable criteria of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978:

NRC No. XSNM02785 -- Application by Westinghouse Electric Corporation for authorization to export to the Czech Republic 15,390 kilograms of U-235 in 342,000 kilograms of uranium enriched to a maximum of 4.5 percent in the form of uranium dioxide pellets incorporated into fuel assemblies for the initial core and four reload regions each for Temelin Nuclear Power Station Units 1 and 2.

The proposed export to the Czech Republic would take place pursuant to the Agreement Between the Government of the United States of America and the Government of the Czech and Slovak Federal Republic on Cooperation in Peaceful Uses of Nuclear Energy which entered into force on February 13, 1992, as confirmed in a certificate from the Czech State Office for Nuclear Safety, a copy of which is enclosed. The Czech Republic has adhered to the provisions of its Agreement for Cooperation with the United States.

The Executive Branch has reviewed the application and concluded that the requirements of the Atomic Energy Act, as amended by the Nuclear Non-Proliferation Act of 1978, have been met and that the proposed export will not be inimical to the common defense and security of the United States. A detailed analysis for the Czech Republic was submitted to your office on August 6, 1993 with the Executive Branch views on application XSNM02749. There has been no material change in circumstances regarding the Czech Republic since submission of that analysis.

On the basis of the foregoing, the Executive Branch recommends that the license be issued.

Sincerely,

Richard J. K. Stratford
Director
Nuclear Energy Affairs

INT'L SAFEGUARDS
EXPORT CONTROL

94 APR 12 04:27

REC'D

Enclosure:

Assurance certificate

Copies sent to DES/DFOS 1 APR 4-13-94



United States Department of State

Washington, D.C. 20520

April 8, 1994

DDI / DDEI

~~W. Bush, MM~~

G. Sanslow, OAOO

D. Stout, MM

T. ROHSCHILD, OGC

PDR

Mr. Ronald D. Hauber, Director
Division of Nonproliferation, Exports
and Multilateral Relations
Office of International Programs
United States Nuclear Regulatory Commission
Rockville, Maryland

Dear Mr. Hauber:

I refer to the letter from our Office dated March 21, 1994, providing Executive Branch views on application XSNM02785 for the export to the Czech Republic of low enriched uranium for the Temelin Nuclear Power Station.

It has come to our attention that the description of the export in our letter cited the wrong amount of U-235. Enclosed is a replacement Executive Branch letter showing the correct amount of U-235 to be exported as 15,390 kilograms. No other changes have been made to that letter.

Sincerely,

Robin DeLaBarre
Nuclear Energy Affairs

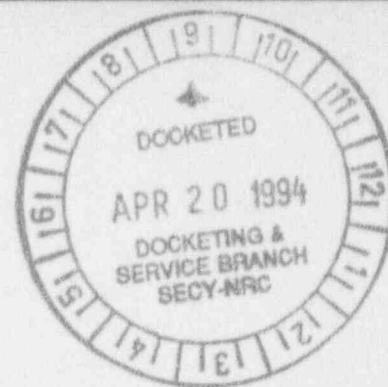
EXPORT CONTROL
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RECEIVED

Copies sent to above list 4-13-94 v/d/ef

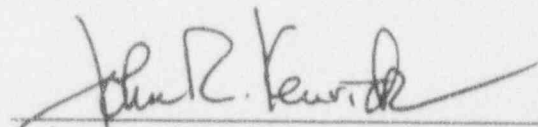
UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION



In the Matter of :
WESTINGHOUSE ELECTRIC CORPORATION : Docket No. 110-04699
(Nuclear Fuel Export License :
For Czech Republic - Temelin :
Nuclear Power Plants) :

CERTIFICATE OF SERVICE

I hereby certify that original(s) and/or copies of the foregoing "Answer of Applicant Westinghouse Electric Corporation to Petition for Intervention and Request for Hearing of the Natural Resources Defense Council, et al." were served upon the persons listed on Attachment 1 to this Certificate of Service by deposit in the United States mail, first class postage prepaid, this 19th day of April, 1994.


John R. Kenrick
Eckert Seamans Cherin & Mellott
42nd Floor, 600 Grant Street
Pittsburgh, Pennsylvania 15219
(412) 566-6000
(412) 566-6099 (fax)

Counsel for Applicant,
Westinghouse Electric Corporation

ATTACHMENT 1

Samuel J. Chilk, Secretary
United States Nuclear Regulatory Commission
Washington, D.C. 20555
Attention: Chief, Docketing & Service Branch

Executive Secretary
United States Department of State
Washington, D.C. 20520

S. Jacob Scherr, Esq.
Natural Resources Defense Council
1350 New York Avenue, N.W.
Suite 300
Washington, D.C. 20005

Office of General Counsel
United States Nuclear Regulatory Commission
Washington, D.C. 20555
Attention: Marjorie Nordlinger, Esq.