



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

JAN 17 1997

Ms. Mary Jo LaRue
Licensing and Traffic Manager
Sourcing and Support
General Electric Company
175 Curtner Avenue
San Jose, CA 95125

Dear Ms. LaRue:

I refer to your letter of September 25, 1996 on the Lungmen 1-2 Project in Taiwan and the scope of NRC Export License XR135.

I have discussed the points raised in your letter with nuclear export control officials in the Departments of Commerce, Energy and State.

The Department of Commerce takes the position that NRC export license XR135 cannot be used to authorize the export of items and associated technology which are subject to the Export Administration Regulations under Commerce Department regulatory jurisdiction (primarily, the so-called "dual use" and "balance of plant" items). They suggest you contact Mr. Steve Clagett in the Office of Nuclear and Missile Technology Controls, Bureau of Export Administration, (Tel. 202-482-4188) to discuss the full range of equipment and technology which you anticipate supplying to Taiwan. Similar discussions have been held in recent months with other U.S. nuclear power plant vendors with good results. Apparently much of the equipment to be shipped to Taiwan under Commerce jurisdiction will not require Commerce licenses, and it is expected that other items may be covered in a single, broad authorization.

The Department of Energy has confirmed that NRC export license XR135 does cover the transfer of nuclear technology associated with the supply of the reactors. Thus, export license XR135 authorizes the supply by General Electric Company of equipment and technology for two 1,350-megawatt Advanced Boiling Water Reactors to be built at the Lungmen site. Such supply includes: the especially designed or prepared components and spare parts; the especially designed or prepared tools and equipment for installation, testing, refueling and maintenance of the reactors; technology and general purpose equipment (not under Commerce jurisdiction) related to the design, construction, operation, and maintenance of the reactors and fuel; and the reactor training and nuclear energy information to be provided in support of the project.

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DA-1-1 Export &
Import

Ms. LaRue

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I am enclosing a copy of Amendment 5 of XR135 which lists these elements to clarify the scope of the export license.

State Department has no objection to the positions taken by Commerce, Energy and the NRC in this letter.

Sincerely,

Original signed by

Ronald D. Hauber

Ronald D. Hauber, Director
Nonproliferation, Exports and
Multilateral Relations
Office of International Programs

Enclosure: As stated

bcc w/encl:
JChuchla, DOC
RDeLaBarre, State
RGoorevich, DOE

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NEMR/F (Jurisdiction Questions)

OGC

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OFF:	OIP	OGC	Commerce	Energy	State
NAME	RHauber	TRothschild	JChuchla	RGoorevich	RDeLaBarre
DATE	10/13/96	10/17/96	10/30/96	10/30/96	10/30/96

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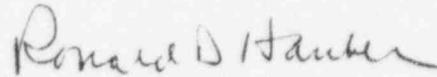
Ms. LaRue

-2-

I am enclosing a copy of Amendment 5 of XR135 which lists these elements to clarify the scope of the export license.

State Department has no objection to the positions taken by Commerce, Energy and the NRC in this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ronald D. Hauber". The signature is fluid and cursive, with the first name "Ronald" being more prominent.

Ronald D. Hauber, Director
Nonproliferation, Exports and
Multilateral Relations
Office of International Programs

Enclosure: As stated