



PRIME MINISTER

SIZEWELL PROCUREMENT POLICY

Although the public inquiry into the Sizewell PWR began only on 11 January, the CEGB will shortly have to begin placing contracts for design work (they do not intend to spend any money on manufacture until all necessary consents have been obtained). I have therefore asked Walter Marshall for a paper on procurement policy which I expect from him soon. I intend to ensure that the Government's legitimate concerns on minimising the project's import content consistent with sensible cost control, on technology transfer from Westinghouse to British companies, and fair play among suppliers are fully satisfied.

Meanwhile, however, the CEGB must place the contract for Sizewell's turbine generators and expect to make an announcement after their Board meeting on 2 February. The value of the contract to completion will be substantial.

The bidding has been between GEC and NEI and, whichever way the order goes, the loser will certainly campaign strongly for the decision to be reviewed by Government. We must also expect to be lobbied in due course by other companies over various orders. Walter Marshall is confident that he will be able fully to justify his choices and I am sure that we must back his judgement, holding fast to the line that Sizewell procurement decisions are a matter for the CEGB and NNC, not for the Government.

I am copying this minute to the Chancellor of the Exchequer, the Secretaries of State for Scotland, Industry and Employment, Sir Robert Armstrong and Mr Sparrow.

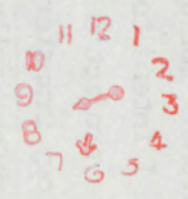
Secretary of State for Energy

28th January 1983

MR.

COMMUNICATION

28 JAN 1983





Prime Minister

You are seeing
hard Weinstock on
1st February, the day
before the announcement.

PRIME MINISTER

SIZEWELL PROCUREMENT POLICY

TERB

28.1.

Further to my other minute today on this subject,
you should know that Walter Marshall has told me
in strictest confidence that the order will in
fact go to GEC.

I am copying this minute to the Secretary of
State for Industry.

M.

SECRETARY OF STATE FOR ENERGY
28 January 1983

M.S.



Energy
WJ AK

10 DOWNING STREET

From the Principal Private Secretary

31 January 1983

PERSONAL AND CONFIDENTIAL

Dear Julian,

SIZEWELL PROCUREMENT POLICY

The Prime Minister was grateful to the Secretary of State for Energy for his minutes of 28 January about the Sizewell procurement policy.

Yours ever,

Robin Butler

Julian West Esq.,
Department of Energy.

AK

Energy



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Prime Minister (2)

Mr Younger doesn't know that

the order is to go to GEC.

MCS 4/2

2 February 1983

M

COMMERCIAL - IN CONFIDENCE

PRIME MINISTER

SIZEWELL PROCUREMENT POLICY

I have seen a copy of the Secretary of State for Energy's minute of 28 January.

I agree that in general decisions in this area are for CEGB and the NNC. Concern has, however, already been expressed to me by Babcock Power that in addition to the reactor pressure vessel some other key components which they could supply for Sizewell may be purchased overseas. If Walter Marshall's promised paper shows that there is substance in these fears, I hope the Secretary of State for Energy will agree that we should discuss the issue before CEGB takes any final decision.

I am copying this minute to the Chancellor of the Exchequer, the Secretaries of State for Energy, Industry and Employment, Sir Robert Armstrong and Mr Sparrow.

G.Y.

G.Y.

Energy
Policy '84 9

UNITED STATES DEPARTMENT OF ENERGY
WASHINGTON, D.C. 20585

- 4 FEB 1983

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DEPT OF ENERGY
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