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UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

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October 31, 1973

MINUTES OF

LIMITED ATTENDANCE SESSION 74-33

ITEM I

9:00 a.m., Thursday, October 25, 1973, Commissioners' Conference Room
D. C. Office

Commissioners

Dixy Lee Ray, Chairman
Clarence E. Larson
William O. Doub
William A. Anders

Staff

J. Connor
R. McKinney

General Manager

R. E. Hollingsworth

Director of Regulation

L. Manning Muntzing

General Counsel

Marcus A. Rowden

Secretary of the Commission

Paul C. Bender

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I. SECY-74-179 - Report from Cabinet and "Oil Policy Committee"
Meeting - "Chairman's Item"

The Chairman reported to the Commission on the October 24 Meeting convened by Governor Love with Cabinet Members and Agency Heads having an energy interest. The Chairman noted

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that a wide range of views were covered at the Meeting but Deputy Secretary of Defense Clements' report on the effect of the Arab embargo, which will create an 18 percent shortfall in the U.S. oil supply, pointed up the criticality of the situation. The Chairman stated that while the Energy Policy Office had some reservations about Mr. Clements' estimates, they were based on military intelligence reports and discussions with Heads of International oil companies and were apparently the best estimates available. The Chairman also noted that the embargo on the Netherlands would have a significant effect on the U.S. supply of refined products.

The Chairman added that while the AEC could assist in only a few of the proposed "Measures to Increase Supply" it was imperative that we respond to Governor Love today.)

A. The Commission reviewed the proposed measures and requested that Dr. Connor prepare a response to Governor Love as follows:

1. Proposed Action 2 - Increase Domestic Oil Production - The Commission should suggest that exhortation, even by the President, is not enough and that specific incentives should be provided to the oil industry to increase production through secondary and tertiary recovery techniques.
2. Proposed Action Items 3a & 3b - pages 8 & 9 - The Commission should point out the adverse effect of automotive emission control devices on fuel consumption and suggest a possible suspension on the use of these devices to ease the crisis.
3. Action Item 3c page 9 - The Commission should determine if a blanket order to require reimbursement for all Federal parking space is to be issued and if so request an exemption for AEC employees because of the lack of public transportation to the Germantown Headquarters and the rural nature of our Headquarters location.
4. Proposed Action Item 5 - page 12 - The Commission should express its concern about possible reductions in industrial uses of energy which might adversely affect the GNP, create unemployment and possibly lead to a recession or depression.

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5. Draft Presidential Message - page 9. - Reference to Japanese reactor construction time should be deleted because their situation is different than ours. However, the message should refer to AEC efforts to reduce reactor construction time from the present 9 to 10 years to 5 to 6 years, noting that the achievement of these reductions will require legislation. (OPA)

B. The Commission noted:

1. Mr. Muntzing's briefing on the current status of the Regulatory process including his view that:
 - a. standardization of nuclear plant equipment, the use of pre-approved designated reactor sites, and early in-depth quality assurance controls are the keys to reduction of long lead times;
 - b. public acceptance of nuclear power reactors is an issue that cuts across all areas of the regulatory program and requires a level of design by the AEC to achieve public acceptance;
 - c. efforts to finish standardized review plans are being hampered by lack of staff needed to meet schedule objectives;
 - d. the need to resolve the AEC/EPA jurisdictional issue over review of environmental effects of AEC-licensed plants and to clarify the cooling tower issue;
 - e. the possible need for some construction permit exemptions;
 - f. the delay in getting some reactors on line because of delivery slow downs of key items from manufacturers and the lack of qualified craftsmen with critical skills e.g. welders; and
 - g. AEC's well earned reputation for preparing accurate and complete environmental impact statements has de-fuzed that issue.

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2. Chairman Ray's view that it might be some time before we get the designated site concept moving, particularly in view of the Washington State experience and that the "Nuclear Park" concept on federal lands may offer a better solution.
3. Commissioner Larson's report that American Electric Power and Consolidated Edison would build no more nuclear plants because of the rising cost factors.
4. Commissioner Doub's view that if AEC relaxes safety standards we will probably destroy the nuclear power program and that the real need was for standardized plants on designated sites.
5. Commissioner Ander's report on Mr. Sawhill's (OMB) suggestion that we put money and effort into the improvement of construction techniques for reactors.

C. The Commission requested:

1. a briefing on November 1 by Mr. Muntzing on the findings of the Task Force for the Study of the Reactor Licensing Process. (Mr. Muntzing said the Task Force report would be ready on Monday, October 29 and the Commissioners agreed to waive the 5-day rule to permit early consideration). (DR)
 2. Mr. Doub to call Glenn Schloede at OMB re AEC's position on AEC/EPA jurisdictional issue and to reiterate AEC's strong position on this issue. (Domagaia)
 3. the Regulatory staff to answer the following questions on November 1 directed at shortening reactor construction time from a long term point of view:
 - a. what can AEC do by our own actions - including looking at our conservative approach;
 - b. what actions will require legislation; and
 - c. what actions need Presidential direction. (DR)
 4. the Regulatory staff to prepare from a short term point of view a report which would:
 - a. identify nuclear plants which are nearly on line and what can be done to speed them up; and
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- b. identify plants which are operating at less than full power and the actions necessary to bring them to their rated power level.
5. Regulatory staff to prepare a paper on the effect of the outcome of the AEC/EPA jurisdictional issue - when it is resolved.
6. The General Manager to consider:
 - a. use of GSA leased cars with less horsepower than those in current use; and
 - b. reducing the AEC motor pool. (GM)
7. The General Counsel to expand the report he is preparing for the Commission on the inquiry by W. T. Jacks of "Public Citizen, Inc.", re Commissioners' use of cars to include a survey of what other Government agencies are doing in response to the pressures generated by the recent "Proxmire" amendment dealing with the same subject matter. (GC)



Paul C. Bender
Secretary of the Commission

(12:05 p.m.)

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