OFFICE OF THE GENERAL MANAGER

To: Gen. Luedecke

Please note first paragraph of the attached.

R. E. Hollingsworth
4/1/59

Attachment:
Memo, HLPrice to ARLuedecke,
4/1/59, subj: Licensing,
Regulation, Safety & Inspection

GPO-908473

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. R. Luedecke, General Manager

DATE: April 1, 1959

FROM : H. L. Price, Director
Division of Licensing and Regulation

SUBJECT: LICENSING, REGULATION, SAFETY AND INSPECTION

This supplements my memorandum of yesterday on the same subject.

1. Piqua, Elk River and Consumers Public Power District. All three of these projects will be subject to a formal hearing under the parallel procedures policy adopted by the Commission several weeks ago. I understand that Elk River has already started construction and Chicago Office is anxious to start substantial procurement on Consumers. Piqua, of course, has not started construction. An important policy question is raised as to whether to allow work to go forward at the site of these projects prior to conclusion of the hearing on construction.

2. Military Reactor Projects. The statement of policy of November 1954 agreed to between the Department of Defense and the Commission provides for the referral to the Commission for hazards review of all military power projects. Although the Lockheed reactor in Georgia was referred to us, generally Defense Department reactors other than power reactors have not been referred to us. Consideration should be given to modifying the 1954 agreement with the Defense Department to cover reactors other than power reactors.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. H. L. Price, L&R

DATE: 3 April 1959

FROM : General Manager G. R. Ludeke

SUBJECT: LICENSING, REGULATION, SAFETY AND INSPECTION

I have discussed with the Chairman the questions raised in the attached memorandum. He is in agreement with my recommendations, as follows:

a. In the case of the three projects listed in your paragraph 1, we should not stop construction in the case of Elk River or delay negotiations in the case of Consumers Public Power District or Piqua. However, every action must be expedited to assure clearance with the ACRS and bring all three projects to public hearing as early as practicable.

b. Similar projects for the future -- we should be in the position of having completed public hearings prior to the time it is practical to start construction. With respect to paragraph 2, Military Power Reactors, a paper for Commission consideration should be prepared which would propose to the Department of Defense necessary amendments to our existing agreements to provide for referral to the Commission for hazards review of all military reactors.

cc: Dr. Pittman