DRAFT(RLKIRK:bh) 4/3/59

Dear General Loper:

As you know, there exists between the AEC and the Department of Defense an understanding regarding military power reactors, i.e., Statement of Policy for Operation of Military Power Reactors, dated November 8, 1954. This covers, among other things, the review by the AEC of reactor hazards reports. By the terms of this agreement, however, such review is limited to power reactors and does not encompass prototypes of power reactors, research reactors or testing reactors.

Prototype units built by the AEC in conjunction with the military reactor program have, however, been reviewed by the AEC and by the Advisory Committee on Reactor Safeguards. In addition, the Air Force requested a review of the Lockheed Radiation Effects Reactor.

With the objective of providing the DOD the benefit of experience, gained on a sizeable number of reactors of various types, available from the Commission staff and the ACRS and of facilitating treatment of reactor safety problems in projects for which the DOD is responsible, I would like to propose that hazards reports on all Department of Defense reactors, rather than just power reactors, be transmitted to the AEC for review.

In the past, there have been cases, including some Commission-owned reactors, where commitments were made on the site prior to the hazards review. It is now Commission practice to require the hazards review be completed before site commitments are made and I would propose that this condition apply also to the Department of Defense reactors.

> Sincerely yours, Chairman

NEGRMA