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APR 3 1981

Ms. Mary E. Scoles
City Clerk of the City of Fillmore
Fillmore Chamber of Commerce
447 Main Street
Fillmore, California 93015

Dear Ms. Scoles:

The February 24, 1981 resolution (No. 1203) of the City Council of the City of Fillmore, California supporting expedited licensing of the San Onofre Units 2 and 3 nuclear power plants has been referred to me for reply. I am pleased to provide the following information regarding nuclear power plant licensing in general, and licensing of San Onofre 2 and 3 in particular.

Since the TMI-2 accident, a significant amount of the NRC resources have been concentrated on identifying the lessons to be learned from that accident and the associated requirements that are necessary and sufficient for the continued operation of licensed facilities and for the issuance of new operating licenses. That effort culminated with the issuance of the NRC's TMI Action Plan, approved in June 1980.

The development of that document and the NRC's increased attention to the safety in the 70 operating reactors took so much of our attention and our resources that we were unable to license new plants for a year after the accident. Following the issuance of the Action Plan, new operating licenses were issued to Sequoyah and North Anna units late last summer. Furthermore, low power test authorizations were issued to Salem and Farley. The Commission has recently given the Director of the Office of Nuclear Reactor Regulation approval to issue the full power license for Farley, Unit 2 when all remaining issues are resolved to the staff's satisfaction. We would anticipate Farley 2 and Salem 2 going to full power in the near future.

Currently, the overall picture is one of a licensing process that is returning to predictability at a considerably enhanced level of safety. However, the implementation of this enhanced level of safety has raised a number of potential new issues in the contested hearings for both operating licenses and construction permits around the country. Some of these units were substantially complete at the time of the Three Mile Island accident or have been completed since then. Thus, we do face a situation in which, for the first time, our hearings are or will be continuing for a significant number of plants that will be complete and ready to operate before the hearings conclude.

This situation is an indirect consequence of the TMI accident, which required a re-examination of the entire regulatory structure. We are not satisfied with the present situation and we are working to find ways to accelerate the hearings on these plants whose continued idleness prevents a substantial investment from benefiting either the consumers or the operating utilities.

To that end, major improvements in the licensing process are underway or being considered. These improvements include:

-- Expedited and rescheduled review by the NRC staff for plants in the short term category--those presently complete and those to be completed in 1981 and 1982.

-- Increased efficiency of the hearing process and subsequent Commission and Appeals Board review. The time now being taken between issuance of the supplemental staff evaluation report and initial decisions by licensing boards averages 18 months. The NRC believes it can compress that time to about 10 months by tightening up the times allowed for each part of the prehearing process and by providing firmer time management of the whole process. The Commission is publishing for public comment proposed changes to its rules which would accomplish this.

-- Changes in the review process the Commission itself exercises over these cases. The Commission is considering two alternatives to shorten this review period which could save at least two months in each case that has been in hearing.

-- Early completion of NRC staff review for plants to be completed in 1983 and beyond. This will require better scheduling of reviews and increased staff resources applied to casework. Some staff resources can be redirected by deferring lower priority work and shifting some work to other NRC offices. Before making such a change, the Commission will carefully review the impact on other essential safety-related activities.

One further step to be considered is legislation to authorize the Commission to issue limited, interim operating licenses before completion of hearings where all applicable safety requirements have been met.

In summary, we are confident the actions we have taken and those we will take will provide major improvements in licensing schedules without compromising the regulatory requirements for safety.

With regard to licensing of the San Onofre Units 2 and 3, the staff has completed the major part of its review. Staff safety evaluations were issued on December 31, 1980, February 6, 1981 and February 25, 1981. The review of the San Onofre Units 2 and 3 by the Advisory Committee on Reactor Safeguards was completed on March 12, 1981. A safety evaluation report addressing issues identified by the ACRS and the remaining outstanding issues is in preparation and is scheduled to be issued in early May. We anticipate the hearings on this project to commence in early July.

APR 3 1981

We appreciate your interest in the San Onofre project. Please be assured that the NRC is taking every reasonable action to expedite the licensing process, consistent with our commitment to ensure the public health and safety.

Sincerely

Original signed by
Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

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