DSI-12
(34)

FRAMATOME
TECHNOLOGIES

John R. Bohart
President & Chief Executive Officer

November 25, 1996

Mr. John C. Hoyle
Secretary of the Commission
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Attention: Chief, Docketing and Service Branch

Subject NRC Strategic Assessment and Rebaselining (61 Federal Register 195; October 7, 1996), Request for Comments

Dear Mr. Hoyle:

The purpose of this letter is to provide stakeholder input to the subject Strategic Assessment.

As a member of NEI, Framatome Technologies, Inc. has been involved in the development of the NEI comments and we endorse those comments and recommendations submitted by NEI in those activities related to our involvement in the industry as a service and fuel provider. We especially endorse the comments related to DSI #12, #20 and #22.

There is one matter, however, which we believe deserves even greater emphasis than that given by NEI. It involves the subject of risk and the related matter of risk-based regulation. The use of nuclear energy clearly involves risks but putting those risks into context with other societal risks is of fundamental, strategic importance. The strategic question that should be answered is, **"How do the risks from using nuclear energy - both from producing electricity, as well as, fulfilling other societal needs - compare to other societal risks?" A similar question specifically related to the U.S. electrical supply might be, "If the nuclear contribution to our electrical grid decreases, does the public health and safety risks decrease or increase?"** This matter has not been carefully and systematically addressed for more than 20 years. This question is so basic that it should serve as the foundation for badly needed energy policy, not only domestically but in other countries as well.

All three of the NRC-defined "Mission Critical" and three of the four "Mission Enabling" strategic arenas would be affected by this enveloping strategic issue. The central element of the NRC's mission, " . . . to ensure adequate protection of the public health and safety . . ." is not really meaningful unless it is compared to other safety risks to determine rationally what is adequate. Stated differently, we believe it is not possible to determine where the threshold of adequate protection lies by considering nuclear energy risks in isolation.

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Acknowledged by card 12/31/96

Two of the NRC's mission-implementing goals are as follows:

b. Ensure that NRC regulations are consistent with other Federal regulations, nationally and internationally recognized standards, and state regulations to the greatest extent possible.

e. Ensure that the NRC's regulatory framework includes a risk-informed, performance-based approach and provides flexibility to achieve the required level of safety and security by the most cost-effective means.

It would appear that achieving these goals would be impossible by considering risks from nuclear energy in isolation. This is especially true when one considers that nuclear power is the only means of generating electricity which is required to include total life-time waste disposal and decommissioning costs in their rate base, i.e., the playing field isn't level when considering consistency with other regulations or in determining what level of protection is cost-effective. By continuing to impose requirements that may not be justified, the NRC could hasten the demise of an energy source which may in fact be the least risky of all methods of generating electricity.

This additional strategic issue suggests a fundamentally new thrust that could significantly affect existing DSIs #20 and #22. Promoting a better understanding, both domestically and internationally, of how nuclear risks - from both a short-term and long-term perspective - compare to other means of generating electricity could suggest new areas of cooperation, information exchange, and research leading to better overall global energy policy. Such a thrust would be beneficial in terms of environmental actions, facilitate better cooperation on how resources should be allocated and provide a more solid base for policy making. This will take considerable effort and time, but the effort should be undertaken as soon as possible.

Framatome Technologies strongly supports the NRC's regulatory role with regard to nuclear power and acknowledges its essentiality. As a major provider of services to the domestic power industry, we are committed to maintaining the plants in a safe condition and performing our work safely. This is reflected in our continued development of new inspection and repair equipment and techniques; e.g., reactor vessels, steam generators, reactor coolant pumps, etc., developing new digital protection and control systems, ensuring that we provide high quality replacement parts for safety and non-safety related equipment. Similarly in the fuel design, manufacturing, inspection, and repair arena, we are committed to continuous improvement in fuel performance and safety. Both we and our parent company have made a significant, long-term commitment to nuclear power, but we are greatly concerned about continued escalation of regulatory requirements that may not be justified. Therefore, we strongly endorse a strategic emphasis on risk-informed and performance-based regulation. This emphasis should include placing nuclear power risks in a context which is relative to other societal risks.

Should there be questions about any of the above comments, we would welcome an opportunity to discuss them further.

Very truly yours,

John R. Bohart /bde

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