



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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MAR 20 1980

Docket Nos.: 50-329/330

Mr. Alan Potter
138 S. Harrington Road
Parma, Michigan 49269

Dear Mr. Potter:

Your letter of February 1, 1980 to President Carter has been referred to me for reply. Your letter notes that significant cost additions have resulted from the several hearings for the Midland Plant and states that the hearing process needs to be accelerated. You also note that since the Three Mile Island accident, the NRC has issued no construction permits for new plants, nor operating licenses for completed plants, and that the Atomic Industrial Forum has reported that the loss of power from this nuclear source may require significant quantities of oil as a substitute. Your letter also asks the President to support any legislation that will speed up the licensing process for nuclear power plants.

I know that the President shares your concern about this nation's high dependence upon oil and that nuclear power is an important contribution to the goal of achieving energy sufficiency without excessive dependence upon foreign sources of oil. In response to the Presidential (Kemeny) Commission Report, President Carter, on December 7, 1979, called the present Iranian crisis an example of the "clear, stark dangers" of excessive dependence on foreign oil and reaffirmed the nation's need for nuclear power. The President noted his opposition to a moratorium with proper emphasis on safety, stating that "Nuclear power has a future in the United States - it is an option that we must keep open". The President also set a six-month target for issuing operating licenses to completed plants. The President also announced that he would reorganize the NRC to emphasize safety and improve management.

As noted in your letter, the TMI-2 accident has, indeed, had a significant impact upon our present licensing efforts. As a result of the TMI-2 accident, the efforts of the staff were first concentrated on evaluating the accident and assessing the remedial measures to be required, i.e., immediate, near-term, and long-term. In July 1979, we issued NUREG-0578, "TMI-2 Lessons Learned Task Force Status Report and Short-Term Recommendations". This early guidance by NRC was supplemented by the recommendations

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contained in the Kemeny Commission Report (October 1979) and the Rogovin Report (January 1980). Consistent with the President's position of December 7, 1979, and to provide further detailed guidance to the nuclear industry, the NRC staff developed its draft document in December 1979, NUREG-0660, "Action Plan for Implementing Recommendations of the President's Commission and Other Studies Related to the TMI-2 Accident". Revisions have subsequently taken place to take into consideration the Rogovin work, comments from the Advisory Committee on Reactor Safeguards, and many other sources of information. The Action Plan represents a major ongoing effort on the part of the NRC staff to define all of the new requirements as a result of the TMI-2 accident and the appropriate methods of implementation. This plan is being developed with special emphasis on changes in requirements for operating reactors and on changes in NRC practices and procedures to diminish the risk of present operation. The plan also contains requirements for use in licensing reviews of new plants. The plan takes into account the time required by the NRC and plant licensees to prepare and implement the specific criteria for change. To the extent practical the Action Plan will provide for expedited licensing consistent with our requirements for protection of the health and safety of the public. The plan will be established by the Commission in the near future as formal guidance to industry.

Since your letter was issued, the Commission, on February 28, 1980, has approved authorization for a low power testing license at or below five percent of full power for the Sequoyah Nuclear Power Plant, subject to the resolution of certain specified license conditions and subject to Commission review before exceeding zero power. This fueling and testing effort will take approximately six months to complete on Sequoyah. The staff has also identified a list of 38 requirements from the Action Plan for the next four completed plants to provide the basis for authorization to load fuel and to conduct low power testing at or below 5 percent of full power on much the same basis as for Sequoyah. This list is part of the requirements that will be needed for a full power license, which of course is still under review by the Commission.

Your statement that the licensing process needs to be accelerated has also been the subject of much previous and continuing attention within and outside the Commission. For example, in early 1977, an NRC ad hoc Study Group chaired by Mr. Harold R. Denton (who is now the Director of our Office of Nuclear Reactor Regulation) reviewed earlier licensing actions in order to identify ways to improve the effectiveness and efficiency of NRC nuclear power plant licensing activities. Results of this study group were published in June 1977 as NUREG-0292, "Nuclear Power Plant Licensing: Opportunities for Improvement". One of the recommendations by this group, which parallels your concern, was that the procedural tools in 10 CFR Part 2, "Rules of Practice", be vigorously and fully used in the interest of an efficient and effective hearing process. The Commission recognizes that significant improvements can be made to this

Mr. Alan Potter

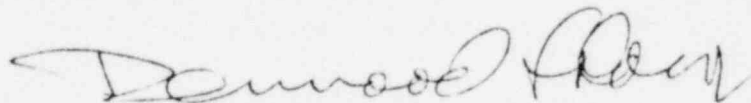
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end within the framework of existing regulations, and attempts to incorporate such **efficiencies** within the licensing process as a matter of **normal** administrative practice. The Kemeny Commission Report and the Rogovin Report contain several recommendations directed to a more efficient and timely licensing process through such examples as management changes, one-stage licensing, increased use of rulemaking, and so forth and they are receiving increased consideration both inside and outside the Commission.

I trust this reply has been responsive to your concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "Denwood F. Ross, Jr.", written in dark ink.

Denwood F. Ross, Jr., Acting Director
Division of Project Management