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February 22, 1980

Mr. Harold Denton
Director, Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Denton:

Over the last two weeks, a special Working Group on Action Plan Priorities and Resources has worked vigorously, under the co-chairmanship of Stephen Howell of Consumers Power Company and Ed Zebroski of NSAC, to define the scope, content, priorities and impacts of the NRC Action Plan (NUREG-0660, draft) items that go beyond those already ordered (in September 27, 1979 and November 9, 1979 letters) and that require utility action. The report of this special Working Group is enclosed.

The report concludes that:

- The large number of requirements proposed by the Action Plan can be prioritized and reduced by a responsible selection process. This process can lead to an orderly and positive increase in overall safety;
- Failure to reduce this number can have grave impacts on plants in operation and under construction.

The failure to reduce the number of Action Plan items would be contrary to safety in that resources would be diverted from important tasks; and contrary to the national interest in that the cost and availability of electrical power would be severely and adversely affected. It would also impose resource requirements beyond the capability of the industry and NRC.

With no further reduction in the number of requirements, a grand total of \$3.5 billion capital costs and \$32 billion delay and outage costs and 13 thousand technical man-years would be required industry wide. On a per unit basis, costs would range from \$28 million to \$700 million and approximately 100 technical man-years would be required.

The above grand totals are over and above the cost of those items already ordered, and no cost estimates have been prepared for these previous items. Furthermore, they do not include the impact on plants with less than 25% construction complete or those plants which have applied for Construction Permits. Consideration of these plants provides an estimated, additional cost of \$1 billion.

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These cost estimates expand upon the cost figures transmitted in my January 17, 1980 letter to you, and differ in several ways. First, the development of comprehensive scope statements in consultation with NRC Staff upgraded our understanding of each requirement. Additionally, while the January 17, 1980 letter concentrated on direct costs only (for all Action Plan items), the enclosed report includes indirect costs as well as costs associated with construction schedule extensions and operating unit outages (for Action Plan items that go beyond those already ordered).

The report recommends that:

- The suggested scope, priority assignment, and target schedules of line items in Appendix A to the report be given serious consideration by the NRC;
- Clear functional objectives and bounding statements be completed on each item that is made a regulatory requirement;
- A realistic "backfitting" policy be developed for both operating plants and plants under construction that recognizes the type and special circumstances of each plant, takes into account measures already under way, and recognizes that it is not necessary, and can be detrimental, to perform all actions immediately or to implement all these before granting operating licenses.

The AIF Policy Committee on Follow-Up to the Three Mile Island Accident has reviewed this report and offers it to you for your immediate use.

As the industry's individual and collective efforts have shown since the TMI accident, we share with the NRC a mutual goal of assuring nuclear power plant safety. We will continue to work with you to evaluate proposed improvements which are productive and to apply them in the most effective manner.

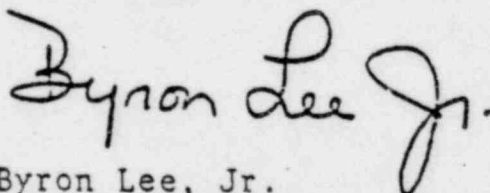
This combined effort should continue to recognize the high level of safety already achieved and the remedial actions now under way to reinforce what is now in place. New regulatory requirements that are not incrementally significant can seriously dilute and detract from this effort and can be counterproductive to overall safety.

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We urge that, for those proposed requirements of secondary importance but worthy of later consideration, the NRC should first reach a judgment on the safety goal against which these additional considerations can be evaluated before they are imposed as NRC regulatory requirements. Additionally, action should be taken to remove from consideration those items which have marginal value, as aided by the priority statements in Appendix A to this report.

At a time when the national welfare depends so crucially on the availability of domestic energy supplies, the policy set forth by the NRC on safety goals and backfitting, and thus implementation of proposed Action Plan requirements, will have far reaching impacts. We hope that the enclosed report will catalyze your early action to set goals and priorities and will help expedite resuming and continuing licensing in an orderly way.

Sincerely,



Byron Lee, Jr.
Chairman, AIF Policy Committee
on the Follow-Up to the TMI Accident

BL:sdw
Enclosure

cc: Roger Mattson
Victor Stello
NRC Commissioners
Members of the Advisory Committee on
Reactor Safety