

United States Senate

Washington, D. C., October 11, 1977

Respectfully referred to

Congressional Liaison
Nuclear Regulatory Commission

I would appreciate a review of the matter described in the attached letter. Please send me an appropriate report and return the correspondence.

Thank you,

Robert P. Griffin

ROBERT P. GRIFFIN

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Form No. 3

16-45102-3 GPO

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Oct 5, 1977

Dear Mr. Griffin

We are enclosing some articles taken from the Midland Daily News recently. These consumers people are trying to ruin our City. Their cost of power will put Dow Chemical out of commission as far as any progress in Midland.

Dow had planned on a billion dollar program for their plant in Midland. But I hear that program has fallen through with because they can not be competitive with the cost of Nuclear Power from consumers.

Any Nuclear plant is very dangerous in more ways than one. And this one is being built within our city limits.

Why does the Government not put a stop to this exaggerated farce, if necessary buy them out and kick them out before they ruin this whole vicinity?

Why don't you ask the Dow how they feel about this? The people of

Midland should have a chance to
vote on such a dangerous project.
The biggest objections to this Nuclear
plant are the lack of water here and
the disposal of their waste.

I would appreciate your comment.

Very truly yours

Neil D. Brown

1331 Bookness St

Midland, Mich.

178640

Utility called 'dishonest'

By SANDRA L. DICKEY
Daily News staff writer

Intervenors opposing the nuclear plant here have asked the Atomic Safety and Licensing Board (ASLB) to penalize Consumers Power Company for its "outright dishonesty" during a hearing on the plant.

In a letter, Intervenor attorney Myron M. Cherry called for action against the utility based on findings in the board's Sept. 23 decision.

In that decision, which effectively allowed construction to continue at the plant, the ASLB made several comments about Consumers' "questionable tactics" during the hearing.

However, the board did not judge Consumers guilty of wrongdoing or impose sanctions against the company.

The board said there was evidence that Consumers:

- Attempted to keep "important facts" from the board.

- Wanted to "finesse" the dispute with Dow Chemical Company.

- Proposed a strategy to "drag feet" in the hearing process as long as construction continued.

- Tried to obtain a Dow witness who was not aware of the Dow-Consumers dispute. The dispute refers to Dow's decision that the nuclear plant would be disadvantageous to the company and a threat by Consumers of a \$600 million lawsuit.

None of these proposed stratagems are successful," the board stated. "Of course there remains the suspicion, raised by the disclosure of these

instances, that there may have been similar ploys which were successful."

Cherry said in light of the board's findings, sanctions should be imposed against Consumers.

"The board having found that there is a suspicion, even a presumption, that unrevealed dishonest ploys have been successful, I should think that the board has to move further on that score," Cherry said.

Meanwhile, Consumers has requested that the ASLB delete language in the decision which "suggests that we were trying to be less than completely open," according to utility spokesman Michael Koschik.

"We are asking them to consider removing that language from the order," Koschik said. "Obviously we do not agree with that part of the order."

In spite of the board's statements, it did not penalize Consumers in the decision-making process.

The decision to continue construction was made in large part because of \$600 million already spent on building the plant (sunk costs), the ASLB said.

However, previous decisions by the Nuclear Regulatory Commission (NRC) say sunk costs should not be considered when "adverse" information has been withheld by a Licensee.

The board states that Consumers' activities "may be the kinds . . . that the Commission (NRC) had in mind in describing the situation where the use of sunk costs is unjust. If so, we decline in this instance to ignore sunk costs."

"We think that to ignore several hun-

dred million collars worth as a punishment would work an out-of-proportion injustice on those who will ultimately provide the money," the board continued.

Cherry called the board's decision "a rule of law which rewards dishonesty and money and doesn't do very much to encourage public participation."

"I cannot help but conclude that we all wasted a lot of time," Cherry said. "That decision finds for the Intervenor on almost every fundamental issue, but then inexplicably concludes that the Licensing Board is powerless to remedy any of the defects because of the amount of money that has been spent."

"Every utility which has a construction permit starts to spend money," he continued. "What the board has told every utility is that if they spend that money fast enough, not even a Court of Appeals decision can be fairly implemented."

Cherry referred to the court decision in July 1976 which ruled the NRC did not adequately consider environmental issues in giving Consumers a license to build the Midland plant. The court ordered more hearings, none of which have taken place.

Cherry also asked the ASLB to postpone scheduling the remanded hearings for at least 30 days so that the Intervenor could "consider our other options, including going directly to the Court of Appeals."

Disposal of nuclear waste seen as vital

By STAN BENJAMIN

WASHINGTON (AP) — The President's Council on Environmental Quality said today that the nation should prove it can dispose of radioactive wastes safely, or stop building nuclear power plants.

The council recommended that the government set a deadline to demonstrate that it can get rid of nuclear wastes without endangering the public health. It also called for adoption of a national policy to change the base of the economy from nuclear and fossil fuels to solar energy.

The recommendations were unveiled by council member Gus Speth, in a speech prepared for delivery at a conference of the American Law Institute and the American Bar Association.

Speth said in an interview that he was speaking for the three-member council, whose function is to advise the President on environmental issues.

He said the recommendations have been circulated within the Carter administration but the council has not yet tried to bring them to the President's personal attention.

Speth, a former citizen environmental activist, said in his speech that the nuclear industry is in trouble. Power plant orders have come to a near-

standstill in the past two years, partly because of serious, unsolved problems, he said.

Speth said one of the most serious problems is the unresolved question of what to do with radioactive waste from reactors and fuel processing plants, which must be isolated for as long as a half million years.

"We thus favor a national decision which would make the expanded use of nuclear power contingent on a clear and convincing showing ... that nuclear power's deadly by-products can be

safely contained for geologic periods," he said.

Speth said the council proposed setting two deadlines: first, to devise a way to dispose of nuclear wastes safely, then to try the method and demonstrate that it works.

If either deadline is missed, "no new nuclear power licenses would be issued," he said. That would effectively mean banning the start of construction on new nuclear power plants until the waste disposal problem is solved.

But Speth also said the council is not happy with coal as a major power plant fuel, because of its significant pollution problems.

For that reason, he said, the council recommended amending present nuclear licensing requirements so that any utility applying to build a new power plant would have to show "that there was no feasible conservation or solar alternative for satisfying the projected increase in electrical demand."

Speth said that in the long run, the nation should turn away from both nuclear and coal energy and rely more heavily on energy from the sun.

Recent developments indicate that solar energy can become a significant factor "much more rapidly than had been considered possible," he said, adding:

"The time is ripe for a national policy recognizing solar as our highest priority energy supply option and seeking the transformation of our economy to one based increasingly on the sun."

Arts tabloid makes debut

Today's Midland Daily News features, "Invitation to Sight and Sound," a special supplement of theater, music and gallery events in Midland.

The tabloid contains feature stories on new programs and performers. It contains a calendar for the coming year as well as news stories on the Midland Center for the Arts and its programs.

counts on n-plant

By SANDRA L. DICKEY
Daily News staff writer

Dow Chemical Company's Michigan Division is still counting on the Midland nuclear plant to provide its source of power by early 1982, General Manager Hunter W. Henry said today.

In response to questions by the Daily News, Henry issued a statement saying the division still intends to purchase process steam from the plant.

The statement came four days after the federal Atomic Safety and Licensing Board (ASLB) released its decision allowing continued construction of the plant.

"Dow is relying on statements of Consumers Power Company that process steam will be available from the Midland nuclear plant in March 1982," Henry said. "The division is making its energy plans accordingly."

"The recent decision of the ASLB to continue construction pending the remanded hearings (on environmental issues) removes an obstacle to completion of the plant by that date," Henry continued.

The ASLB decision followed a lengthy and controversial hearing, during which Dow's intention to purchase steam from the nuclear plant was questioned repeatedly by attorneys.

Dow witnesses at the hearing painted a picture of two companies fighting internally while keeping a friendly public image.

The witnesses, Dow U.S. A. President Paul F. Orefice, and former division General Manager Joseph G. Temple Jr., said the nuclear plant no longer would be an advantage to Dow.

According to Temple, currently Dow U.S.A. director of marketing, the company's decision to remain committed to nuclear steam was made because of a \$600 million lawsuit threatened by Consumers, the plant's owner.

Both Dow officials said they had no confidence that the nuclear plant would be built by 1982 for a cost of \$1.67 billion.

Also during the hearing, Dow attorneys told the ASLB the company was considering a lawsuit against Consumers on the validity of a 1974 steam contract.

The contract estimates the plant's operation date at March 1980, but Consumers claims that date was not firm. The utility later announced the plant's completion for 1981-82.

Meanwhile, Dow has agreed to conform by 1980 to strict air pollution standards imposed by the Michigan Air Pollution Control Commission (MAPCC).

The company since then has negotiated a new agreement with the MAPCC in which it must switch to cleaner burning oil as a fuel for the division power plants in 1980. The company then will burn oil until nuclear steam is available in 1982.

The oil switch will cost Dow \$17 million in capital improvements plus increasing the company's annual fuel bill by \$77 million.