

MAR 24 1981

Mr. George L. Sherwood, Jr.
3509 Basford Road
Frederick, Maryland 21701

Dear Mr. Sherwood:

This is in response to your letter to Commissioner Ahearne inquiring about the issuance of new operating licenses.

The Nuclear Regulatory Commission is taking steps to resolve the delays currently being experienced in licensing decisions for nuclear power plants. This backlog resulted from the need for a systematic review of the safety issues raised as a result of the TMI Unit 2 accident, which put our licensing process on the critical path for operation of a number of plants.

Our solutions and schedules for relieving the backlog are still being developed. Therefore, we are not currently in a position to estimate how much longer these plants will remain idle. We do, however, expect to issue operating licenses to four facilities during 1981.

You can be assured that NRC is taking every reasonable action to expedite the licensing process. While we are, of course, concerned about the financial impact on consumers and stockholders, the NRC's primary responsibility is the assurance of public health and safety, and any licensing actions will reflect this concern. I am enclosing for your information a summary of Chairman Hendrie's recent comments on steps being considered to resolve the licensing delay problems.

Sincerely,

Original Signed by
H. R. Denton

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Enclosure:
Summary of Chairman
Hendrie's comments on
steps to solve problem
of licensing delays

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OFFICE	MAB:NRR	TSB:NRR	MAB:NRR	PPAS	DD:NRR	DIR:NRR
NAME	CHamwood:nh	PFine ref	HBerlow	HThompson	EGCase	HRDenton
DATE	3/18/81	3/18/81	3/19/81	3/20/81	3/23/81	3/23/81



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CHAIRMAN HENDRIE COMMENTS ON STEPS TO SOLVE PROBLEM OF LICENSING DELAYS

Chairman Joseph M. Hendrie of the Nuclear Regulatory Commission commented today on the steps being taken by the NRC to solve the problem of delays in licensing decisions for nuclear power plants.

Dr. Hendrie said:

"In my opinion these steps and other actions under consideration will reduce the impact that had been projected for plants that will be completed over the next three years. The basic problem we are confronting is the backlog in licensing decisions for new plants which resulted from the accident at Three Mile Island. That accident inhibited our licensing process for more than a year in spite of the additional resources provided by the Congress and the redirection of NRC staff resources that was made. Thus, our licensing approval process now is on the critical path for operation of a number of plants. I believe immediate solutions to the delay problem are both possible and necessary."

Dr. Hendrie said major improvements underway or being considered 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. The delay to the Fermi and Waterford plants already has been minimized by adjusting staff resources for a total savings of 10 months for these two plants.
- 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

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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.

"In order for these measures to be effective in reducing delays, the utilities will have to meet the schedules for submitting information to the NRC," Chairman Hendrie said.

Chairman Hendrie noted that one further step could be taken--legislation to authorize the Commission to issue limited, interim operating licenses before completion of hearings where all applicable safety requirements have been met.

"In sum, I am 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," Chairman Hendrie said.

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