

public health and safety. Currently, we maintain professional staffs, located at both headquarters and the TMI site, who are dedicated to quick reviews of licensee cleanup proposals. The Commission will ensure that this kind of NRC attention to TMI-2 cleanup efforts remains a high priority in this agency throughout the cleanup.

This concludes our prepared testimony. We will be glad to answer any questions you may have.

COMMISSIONER GILINSKY'S ADDITIONAL COMMENTS
TO OMB ON S. 1606

I am in agreement with the position expressed in the Commission's testimony on S. 1606, the "Nuclear Power Plant Property Damage Insurance Act of 1981." However, I would like to raise two additional points for your consideration. First, I would think that, before committing itself to support a statute under which the government would, in effect, tax nuclear plant operators to underwrite part of General Public Utilities' costs of cleaning up the TMI-2 accident, the Administration would want to be satisfied with the competence of GPU's management. Secondly, I think that any statutory scheme which provides financial assistance to the clean-up of TMI-2 should explicitly consider the possible ramifications of the \$4 billion lawsuit which GPU is in the process of filing under the Federal Tort Claims Act charging the Government with responsibility for the accident.

COMMISSIONER AHEARNE'S ADDITIONAL COMMENTS TO OMB
ON S. 1606

Commissioner Ahearne believes the bill should speak directly to requirements that the Pennsylvania PUC allow some of the costs of the cleanup to be paid by GPU ratepayers. Returning TMI-1 to the rate base and allowing recovery of some portion of the TMI-2 cleanup costs would also be a very significant source of funds for cleanup. The GAO as well as other studies have pointed out two important matters that should be considered with respect to the rates of GPU and other utilities. First, even when a significant portion of cleanup costs are recovered from their ratepayers, this would leave the rates for Metropolitan Edison, Jersey Central Power and Light, and Pennsylvania Electric Company comparable to, or even below, those of some other Pennsylvania, New Jersey, and New York utilities. Second, the ripple-through effects of GPU's debilitated financial status is raising the rates on these companies, perhaps to above those that would have been sufficient to fund the cleanup.

Finally, in addition to revenues made available through ratepayers, utilities have retained earnings, some of which are normally returned to common stockholders as dividends. These dividends on common stock have been deferred by GPU for two years and probably will have to continue to be deferred for some time as the stockholders share with others the burden of the accident cleanup.