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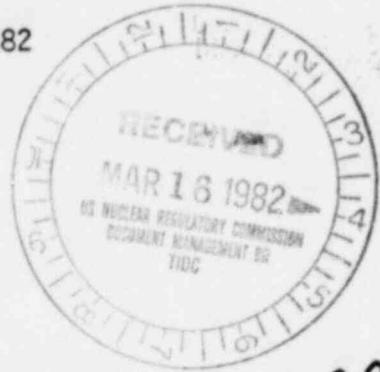
U.S. House of Representatives
 Committee on Energy and Commerce

Room 2125, Rayburn House Office Building
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March 8, 1982



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FRANK M. POTTER, JR.
 CHIEF COUNSEL AND STAFF DIRECTOR

Honorable Nunzio Palladino
 Chairman
 U.S. Nuclear Regulatory Commission
 Washington, D.C. 20555

Dear Chairman Palladino:

I regret that a previously scheduled mark-up in the Full Judiciary Committee prevented me from seeing you again at the hearing last week before the Subcommittee on Energy Conservation and Power. I am sorry I was unable to welcome you before the Subcommittee, because I want you to know I heartily endorse your and the entire Commission's efforts to reform and simplify the licensing process and reduce your backlog of operating license cases.

I am very concerned about continued reports in recent weeks that the Commission's own independence may be threatened by the political nature of recent interventions, especially in the Diablo Canyon case. As Chairman Dingell wrote you two years ago in regard to another example of political intermeddling in the licensing process, "To allow nuclear regulation to become a political football, with the President's Commission as rookie quarterback and head coach combined, would be a serious abdication of your Congressionally designated role as lead agency in this field."

What Chairman Dingell said then is more true today. I call on you in no uncertain terms to resist any such attempts by intervenors, whether from out in the State Houses or here in Washington, to compromise the independence and integrity of the Commission in reviewing the Diablo Canyon case and other pending licensing cases.

I remind you the statutory duty of the Commission is not altered by attempts by third-parties to redefine the word "independent" in a way inconsistent with Commission precedents. California's need for the power to be generated by the Diablo Canyon plant has already been established by regulatory decisions and is self-evident from the \$28 million in replacement power costs and carrying charges Californians are paying each month the plant is delayed. The Commission's statutory duty is to assure that the public health and safety, and common defense and security are met in licensing the plant, not to decide whether nuclear power-plants are politically necessary or not.

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As you know, both the Energy and Commerce Committee and the Full House last year voted by an overwhelming margin to authorize the Commission to streamline and speed the licensing of nuclear powerplants. I hope the Commission will continue to interpret those votes as a strong mandate for further licensing reforms -- reforms which will not only simplify nuclear licensing, but also increase safety and quality assurance by providing more generic predictability and certainty. In particular, I understand the Commission is aggressively reviewing those aspects of the licensing process which, because of contradictory safety requirements and lack of standardization and generic application, may have actually limited rather than increased safety since the Three Mile Island accident and possibly even since the Calvert Cliffs decision.

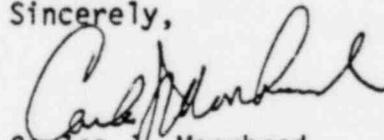
I strongly urge you to continue expeditiously to administratively improve and simplify the licensing process, and to forward to Congress as soon as possible any legislative changes you find necessary in licensing requirements. I believe the mandate in our Committee for comprehensive changes in licensing requirements under the Atomic Energy Act of 1954, as amended, may run even deeper than the mandate last year for short-term reforms.

Finally, I urge the Commission to review the frequency of emergency response drills it is now requiring of State and local emergency officials in jurisdictions surrounding nuclear powerplants. My colleague, Representative Tom Corcoran, has informed me that local officials in several counties in his District consider the benefits of these multiple emergency drills to be far exceeded by their costs to local public safety budgets. I hope the Commission will consider impacts on future budgets (and therefore on future preparedness) of local emergency personnel when it determines the required frequency of current emergency drills.

I attach a list of questions which I would appreciate being answered by the Commission in lieu of the oral questions I would have asked at the Subcommittee hearing.

Thank you for your consideration of this request.

Sincerely,



Carlos J. Moorhead
Ranking Minority Member
Subcommittee on Energy Conservation
and Power

Attachments

HEARINGS BEFORE THE SUBCOMMITTEE ON ENERGY
CONSERVATION AND POWER

MARCH 3, 1982

OVERSIGHT - NRC FY 83 BUDGET

QUESTIONS ON NUCLEAR WASTE

1. DOE projects that utilities will require off-site spent fuel storage capacity beginning in 1986 and growing to between 13,000 and 22,000 metric tons by the year 2000. What is your current assessment of the needs?
2. What impact will the recent New York Federal court case on DOT's hazardous materials regulations have on the transshipment of spent fuel?
3. Do you support the streamlined licensing procedures for on-site spent fuel storage expansion contained in S. 1662 as reported by the Senate Energy and Environment Committees?
4. Under current licensing procedures, do you believe that the Commission can license a first-of-a-kind deep geologic waste repository in 2 years? 4 years? 8 years? Considering the uncertainties in the current licensing process, would you support permitting construction to begin on parts of the waste repository on an interim basis, as long as waste is not actually emplaced in the repository?

QUESTIONS ON LICENSING REFORM

1. When do you expect to implement recommendations of your licensing reform task force?
2. When do you expect to forward legislation on licensing reforms?
3. Do you expect to include language on standardization of power plant designs in such legislation?
4. Has the lack of standardized designs helped or hindered quality assurance on nuclear power plants?
5. Has the lack of standardized designs increased or decreased safety assurances?
6. In a March 12, 1981, letter to Rep. Tom Bevill, former NRC Chairman Hendrie forwarded a memorandum of options to accelerate the licensing process prepared by NRC staff. Please provide an update on the Commission's review of these options, including a list of those formally evaluated, adopted or rejected by the Commission and any written justifications accompanying each such decision.
7. Please provide a summary of all current or future Commission efforts to replace Commission regulatory or enforcement requirements with self-regulation or enforcement by the industry itself, such as in the Institute of Nuclear Power Operation's proposal for a nuclear plant construction quality management program.

QUESTIONS ON DIABLO CANYON - INDEPENDENCE OF CONSULTANTS

1. The independence and professional integrity of accountants, engineers, architects, and other independent contractors, according to their ethical standards, is not deemed to be jeopardized by prior employment.

In the case of independent auditors hired to review power plant design and safety, do you believe that such auditors are incapable of impartial judgment solely by reason of contract or hiring by the power plant applicant?

In other words, if the quality and integrity of the auditor is unquestioned, why should he be deemed ineligible by reason of hiring by the applicant?

Are not the applicants themselves responsible for the safety of their plant?

In fact, is not over-reliance on independent consultants part of the problem in current quality assurance, not part of the solution?

2. Did Pacific Gas and Electric, any of its officers or employees make a wilful, intentional or knowingly false statement in connection with the October, 1981, audit conducted by Robert L. Cloud Associates regarding the Diablo Canyon plant? Did Pacific Gas and Electric, any of its officers or employees wilfully, intentionally or knowingly mislead the Commission in connection with such audit? If so, please define the terms "wilful", "intentional", "knowingly", "false" or "misleading" as used by the Commission in reaching such a conclusion.