

January 26, 1994

Mr. O.B. Falls, Jr., and Mr. F.W. Kleimola
NucleDyne Engineering Corporation
2107 Dale Road
Jackson, Michigan 49203

Gentlemen:

I am responding to your letter to Chairman Selin in which you expressed disappointment in the course the nuclear industry is following for the development of advanced light water reactors. You also described NucleDyne's passive containment system that you felt would better suit the industry's needs.

The decision to develop or fund any particular reactor technology or concept does not rest with the NRC. Vendors or other interested applicants must make business decisions as to whether they are likely to satisfy NRC requirements for their designs and evaluate the costs that will be incurred to do so. The NRC's task is to establish a reasonable process and the safety standards to conduct these design reviews. This information can be found in Part 52 and Part 50 of the NRC's regulations, respectively.

I trust this reply will clarify the NRC's role in the industry's plan for building new nuclear power plants.

Sincerely,

Original signed by
Frank J. Miraglia

Frank J. Miraglia, Deputy Director
Office of Nuclear Reactor Regulation

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*1-4-1, Part 50 (Reviewing of Production & Utilization Facilities)
& 1-4-1, Part 52 (Design Certification)*

*see previous concurrence

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