



CHAIRMAN

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

June 3, 1982

Mr. Jay Moorhead  
Special Assistant to the President  
Office of Private Sector Initiatives  
The White House  
Washington, D. C. 20500

Dear Mr. Moorhead:

This letter is in response to your memorandum of May 7, 1982 concerning activities of the Nuclear Regulatory Commission that relate to private sector initiatives.

As you will appreciate, because the NRC is an independent agency regulating in the public health and safety area, we are not in a position to participate in such a program. Nevertheless, I am pleased to call to your attention, in the enclosed summary report, some of our activities relevant to private sector initiatives.

Also, enclosed is one of my recent speeches which emphasizes ways in which the nuclear industry can move to strengthen its achievement of goals that both government and industry share -- public safety and public benefit.

I hope this information is of use to you, and I wish you good fortune in this endeavor.

Sincerely,

Nunzio J. Palladino

Enclosures:  
As stated

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A SUMMARY OF CERTAIN NUCLEAR REGULATORY COMMISSION  
ACTIVITIES THAT RELATE TO PRIVATE SECTOR INITIATIVES

A Regulatory Reform Task Force at NRC is examining ways in which the agency can streamline its regulatory processes. Some of these initiatives will probably require legislation, while others can be accomplished through internal reforms.

-- An example of streamlining is the concept of standardized nuclear power plants. Standardization is an essential ingredient for establishing regulatory stability. It offers the opportunity to improve nuclear power plant licensing and safety by concentrating on a relatively few designs of nuclear power plants. Standardization also would stimulate standard programs of quality control, assist in improving the training of operators and workers, lead to more effective maintenance of key safety components, and improve reliability. When coupled with early approval of sites for nuclear power plants, standardization also would make the licensing process more predictable and reduce the time it now takes to build new nuclear power plants.

-- If legislation now under development is approved by the Commission and enacted by the Congress, NRC would have explicit authority to approve standardized designs for nuclear power plants in advance of -- and independent

of -- specific applications from utilities to use these designs. It is envisioned that an approved standardized design would be valid for a period of years, possibly about ten years. Upon review by the Commission, this approval could be renewed for a comparable period of time. An additional key provision of such legislation is some sort of explicit assurance to the utility that, except for very special circumstances, change to an approved design would not be required. This assurance should go a long way toward eliminating uncertainties associated with the nuclear option.

-- Another concept which goes hand-in-hand with standardization is early approval of sites for nuclear power plants. Under this approach, authority would be sought to approve a site for one or more nuclear facilities independent of applications to build and operate a plant. Under the proposal being developed, NRC also would be able to issue a combined construction permit and operating license to applicants who seek it. Once such a combined license is issued, NRC actions would be concentrated on inspections and tests to verify conformance with the terms of the application and the regulations.

-- In connection with the development of ways to streamline the NRC regulatory process, the Commission has established an independent review panel of persons from the private and public sector to provide an assessment of the recommendations made by the NRC Task Force. This group also will make its own recommendations. Included on this review group are Gerald Charnoff, a Washington, D. C., attorney; Anthony Roisman, Executive Director of Trial Lawyers for the Public Interest, Washington, D. C.; Dr. Robert Redmond, Associate Dean of the College of Engineering, the Ohio State University; Stephen Long, Director of the Power Plant Siting Program of the Maryland Department of Natural Resources; and David Stevens, Assistant for Energy and Natural Resources in the Office of the Governor of Washington.

The Commission has established a senior Review Committee to examine requirements on the nuclear industry to assure that they are needed and that the benefits, in terms of improved safety, are worth the costs. The NRC imposes a large volume of requirements on its licensees. The senior Review Committee is taking measures to help assure that those requirements are well coordinated and sufficient time is allowed for proper implementation of them.

The nuclear industry has formed an Institute for Nuclear Power Operations (INPO), headed by Mr. Dennis Wilkinson. This group is making reviews of the operation of nuclear utilities and much of this information is being provided to the NRC. As this organization expands its efforts, the NRC is seeking ways to use the results of INPO analyses and inspections to make more effective use of its own resources in monitoring the performance of nuclear plants.

Another private sector group performing important work in the nuclear area is the Electric Power Research Institute (EPRI). This is an organization funded by the electric utility industry. The NRC is working with EPRI on important technical projects related to the possible combustion of hydrogen in nuclear power plant containment buildings and the possible release of radiation in a nuclear power plant accident.

-- EPRI is sponsoring tests on hydrogen transport and mixing in reactor containment buildings at a facility in Hanford, Washington, and the NRC is using this information to develop and verify safety codes. This is a large facility and it would be expensive for NRC to perform similar tests. The NRC staff currently is negotiating with EPRI on participation in EPRI's

large-scale hydrogen test program at the Nevada Test Site.

- Cooperative efforts with EPRI also are underway to improve the understanding of how much radiation could be released in a nuclear power plant accident. This cooperative program will result in savings for the NRC, and data will be available to us earlier than it would otherwise be.

In a step designed to move its licensing and other functions closer geographically to the regulated industry and the public, the NRC has begun a program of increased regionalization. The NRC Regional Offices are in or near Philadelphia, Atlanta, Chicago, Dallas, and San Francisco. A number of functions, such as the licensing of persons who operate the controls of nuclear power plants and the licensing of the use of radioactive materials in hospitals, industry, and research, are being transferred to the regional offices. These offices have traditionally carried out the inspection program on NRC licensees, including the assignment of resident inspectors to nuclear power plant sites.