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*Congress of the United States*

HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

July 28, 1980

Mr. Carlton Kammerer  
Director  
Nuclear Regulatory Commission  
1717 H Street, N. W.  
Washington, D. C. 20555

Dear Mr. Kammerer:

Enclosed for your information and consideration is a letter I have received from my constituent, Michael C. Haight of West Bloomfield, Michigan.

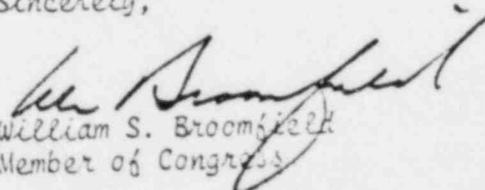
As you will note, he is very concerned about the nuclear plants which are being built in the State of Michigan.

I would appreciate any information you can provide me with regarding the safety of these plants which I might pass along to Mr. Haight.

Thank you for your assistance.

Best wishes.

Sincerely,

  
William S. Broomfield  
Member of Congress

WSB/nc

Enclosure

8009110 288

7134 Weather Heath Lane  
West Bloomfield Michigan 48073  
July 21, 1980

Congressman Broomfield  
430 North Woodward  
Birmingham Michigan 48011

Dear Congressman:

I am writing you this letter to express my bitter est of the completion of the two nuclear plants in Michigan. The plant in Midland which Consumer power is constructing and the other in Monroe (Fermy) which Edison is constructing. Edison says this plant is one of the most safest and modern in the world. Regardless, there are still dangers that exist. If a melt down was to occur it would destroy a area the size of Pennsylvania for thousands of years. I am sure with all the nuclear plants in the world today that a disaster is bound to come.

I am sure you are aware of the dangers of nuclear power and all the other dangers that go along with it. These power companies are also trying to lift the band on the dumping on nuclear waste in Michigan. The big problem is that the public is so ignorant about the dangers of nuclear power.

It almost seems that these wealthy power companies or the Government is keeping the people uninformed about the dangers of nuclear power. The safety of the world is in the greedy hands of the power companies.

Alternate energy sources should be developed, such as sun, wind and tidal. I as a young adult am concerned about our future, I want to be assured that my children will develop normally. I am not only writing about my feelings on nuclear power but many of my peers share the same feelings.

Sincerely yours,

*M. Chris Haight*

Michael C. Haight

better informed decision-making among regular operating hours and, of course, during emergencies.

I challenge our utility companies to bend every effort to improve the safety of nuclear power.

Finally, I would like to discuss how we manage this transition period during which the Kemeny recommendations are being implemented. There are a number of new nuclear plants now awaiting operating licenses or construction permits. Under law, the Nuclear Regulatory Commission is an independent agency. Licensing decisions rest with the Nuclear Regulatory Commission, and as the Kemeny Commission noted, it has the authority to proceed with licensing these plants on a case by case basis, which may be used as circumstances surrounding a plant or its application dictate.

The NRC has indicated, however, that it will pause in issuing any new licenses and construction permits in order to devote its full attention to putting its own house in order and tightening up safety requirements. I endorse this approach which the NRC has adopted, but I urge the NRC to complete its work as quickly as possible and in no event later than six months from today. Once we have instituted the necessary reforms to assure safety, we must resume the licensing process promptly so that the new plants we need to reduce our dependence on foreign oil can be built and operated.

The steps I am announcing today will help to insure the safety of nuclear plants. Nuclear power does have a future in the United States. It is an option that we must keep open. I will join with the utilities and their suppliers, the Nuclear Regulatory Commission, the executive departments and agencies of the Federal Government, and also the state and local governments to assure that the future is a safe one.

Now Dr. Frank Press, Stu Eizenstat, and John Deutsch will be glad to answer your questions about these decisions and about nuclear power and the future of it in our country. Frank?

END

(AT 3:00 P.M. EST)

several steps. First, I will send to the Congress a reorganization plan to strengthen the role of the Chairman of the NRC, to clarify assignment of authority and responsibility and provide this person with the power to act on a daily basis as a chief executive officer, with authority to put needed safety requirements in place and to implement better procedures. The Chairman must be able to select key personnel and to act on behalf of the Commission during any emergency.

Second, I intend to appoint a new Chairperson of the Nuclear Regulatory Commission, someone from outside that agency, in the spirit of the Kemeny Commission recommendation. In the meantime, I have asked Commissioner Ahearne, now on the NRC, to serve as the Chairman. Mr. Ahearne will stress safety and the prompt implementation of the needed reforms.

In addition, I will establish an independent advisory committee to help keep me and the public of the United States informed of the progress of the NRC and the industry in achieving and in making clear the recommendations that nuclear power will be safer.

Third, I am transferring responsibility to the Federal Emergency Management Agency, the FEMA, to head up all off-site emergency activities, and to complete a thorough review of emergency plans in all the states of our country with operating nuclear reactors by June, 1980.

Fourth, I have directed the Nuclear Regulatory Commission and the other agencies of the Government to accelerate our program to place a resident Federal inspector at every reactor site.

Fifth, I am asking all relevant Government agencies to implement virtually all of the other recommendations of the Kemeny Commission. I believe there were 44 in all. A detailed factsheet is being issued to the public and a more extended briefing will be given to the press this afternoon.

With clear leadership and improved organization, the Executive Branch of Government and the NRC will be better able to act quickly on the crucial issues of improved training and standards, safety procedures, and the other Kemeny Commission recommendations. But responsibility to make nuclear power safer does not stop with the Federal Government. In fact, the primary day by day responsibility for safety rests with utility company management and with suppliers of nuclear equipment. There is no substitute for technically qualified and committed people working on the construction, the operation, and the inspection of nuclear power plants.

Personal responsibility must be stressed. Some one person must always be designated as in charge, both at the corporate level and also at the power plant site. The industry owes it to the American people to strengthen its commitment to safety.

I call on the utilities to implement the following changes: first, building on the steps already taken, the industry must organize itself to develop enhanced standards for safe design, operation, and construction of plants; second, the nuclear industry must work together to develop and to maintain in operation a comprehensive training, examination, and evaluation program for operators and for supervisors. This training program must pass muster with the NRC through accreditation of the training programs to be established.

Third, control rooms in nuclear power plants must be modernized, standardized, and simplified as much as possible, to permit

MORE

FOR IMMEDIATE RELEASE

DECEMBER 7, 1979

ENCLOSURE 3

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT ON THE KEMENY COMMISSION  
REPORT ON THREE MILE ISLAND

Room 450, Old Executive Office Building

(AT 2:45 P.M. EST)

THE PRESIDENT: The purpose of this brief statement this afternoon is to outline to you and to the public, both in this country and in other nations of the world, my own assessment of the Kemeny Report recommendations on the Three Mile Island accident and I would like to add, of course, in the presentation some thoughts and actions of my own.

I have reviewed the report of the Commission, which I established to investigate the accident at the Three Mile Island nuclear power plant. The Commission, headed by Dr. John Kemeny, found very serious shortcomings in the way that both the Government and the utility industry regulate and manage nuclear power.

The steps that I am taking today will help to assure that nuclear power plants are operated safely. Safety, as it always has been and will remain, is my top priority. As I have said before, in this country nuclear power is an energy source of last resort. By this I meant that as we reach our goals on conservation, on the direct use of coal, on development of solar power and synthetic fuels, and enhanced production of American oil and natural gas, as we reach those goals, then we can minimize our reliance on nuclear power.

Many of our foreign allies must place much greater reliance than we do on nuclear power, because they do not have the vast natural resources that give us so many alternatives. We must get on with the job of developing alternative energy resources and we must also pass, in order to do this, the legislation that I have proposed to the Congress, making an effort at every level of society to conserve energy. To conserve energy and to develop energy resources in our country are the two basic answers for which we are seeking. But we cannot shut the door on nuclear power for the United States.

The recent events in Iran have shown us the clear, stark dangers that excessive dependence on imported oil holds for our nation. We must make every effort to lead this country to energy security. Every domestic energy source, including nuclear power, is critical if we are to be free as a country from our present over-dependence on unstable and uncertain sources of high priced foreign oil.

We do not have the luxury of abandoning nuclear power or imposing a lengthy moratorium on its further use. A nuclear power plant can displace 35,000 barrels of oil per day, or roughly 13 million barrels of oil per year. We must take every possible step to increase the safety of nuclear power production. I agree fully with the letter and the spirit and the intent of the Kemeny Commission recommendations, some of which are within my own power to implement, others of which rely on the Nuclear Regulatory Commission, or the NRC, or the utility industry itself.

To get the Government's own house in order I will take

(1053)

o Management of Energy Processes

- The Administration will seek to clarify and simplify processes and procedures for siting and licensing new energy facilities, without sacrificing the opportunity to carefully balance conflicting policy objectives.
- The Administration will work closely with States and local governments to ensure that they participate fully and effectively in developing and implementing the Nation's energy policies. The Administration has proposed the Energy Management Partnership Act to provide funds to accomplish this objective.

THE SIGNIFICANCE OF NEP-II

The actions already undertaken, and those currently proposed, will place the Nation's energy policy on a sound and long-lasting footing. Movement toward replacement cost pricing for crude oil, coupled with last year's action on natural gas pricing, will build a coherent economic framework for making more rational decisions about energy production and consumption--and thus about the Nation's energy future. These actions are coupled with a variety of measures, such as the Windfall Profits Tax, designed to assure equity for consumers.

By beginning to remove the roadblocks to timely and equitable decision-making on energy projects, the Nation can increase production of its domestic resources. By spurring the development of new technologies, the U.S. will lay the groundwork for their future use as world oil prices rise.

The decade of the 1960s, and the early 1970s, saw imports climb steadily, both in absolute terms and, more dangerously, as a percentage of total consumption. With each passing year, the Nation became more dependent on oil imports, and thus more vulnerable.

The National Energy Act, and the actions and proposals recently announced by the President, will arrest those trends. By 1985, the measures in the National Energy Act will reduce imports 2.5 to 3.0 million barrels per day below what they would have been without those actions. The additional steps proposed this year will save over one million barrels per day. As a result, oil imports are expected to drop as a percentage of total energy consumption by 1985. Although imports will still be comparable to current levels, U.S. vulnerability will be reduced substantially by the availability of the strategic petroleum reserve.

After the series of crises over the last few years, crises that resulted in shortages of oil, gas, and coal, it is now clear that it is impossible to lay out, in one document, all the policies that ultimately may prove necessary for the Nation's long-term future. Instead, NEP-II provides the Congress with the best information available at the present time with which to make future decisions, to deal with future developments, and to capitalize on future technological advances.

o Breeder Reactor

- R&D on breeder reactors will continue so that commercial development can be initiated, if justified by future market conditions and non-proliferation policies.
- Breeder reactor demonstration will be deferred pending the results of the International Nuclear Fuel Cycle Evaluation and interagency review.

o Fusion

- Research on the magnetic and inertial confinement concepts will continue with the objective of demonstrating scientific feasibility in the mid-1980s.
- The program for development of fusion energy will be governed by a structure of sequential decision points to select candidate technologies and to initiate construction of large facilities. If all goes well, the first commercial use of fusion will occur in about the year 2020.

Renewable Energy Sources

The Nation's capacity to use renewable resources should be enhanced. The maturity of these technologies varies greatly; some are economic now, others are in the early stages of R&D. Federal support must be tailored to each stage of development.

o Solar Energy

- Tax credits and other financial incentives will be used where necessary to accelerate market penetration of solar technologies that are economic or nearly economic now (solar hot water heating, certain industrial process heat systems, passive solar systems, direct wood burning, and low head hydro).
- RD&D and/or product support will advance those technologies that have significant market potential and that replace oil and gas, but which are not yet competitive in the mass market (certain solar industrial process heat systems, active solar space heating, conversion of biomass to liquid and gaseous fuels, and wind systems).

- R&D and limited product support will develop those technologies with significant long-term potential, but which are far from economic application (solar cooling, photovoltaics, solar thermal, and ocean thermal energy conversion (OTEC)).
- The Administration will continue to study the possible applications of technologies with highly uncertain potential (solar power satellites, photo-chemical conversion).

o Geothermal

- Tax incentives and loan guarantees are the primary tools to encourage the use of hydrothermal resources. RD&D will be used where the technology has not been demonstrated.
- Research and development will be used to develop the technology to use hot dry rock geothermal resources.
- The Administration will encourage the development of geopressurized energy primarily as sources of methane and secondarily as sources of heat from hot water.

Cross-Cutting Policies

In addition to these programs designed to ameliorate the Nation's fundamental energy problems in future years, it is necessary to confront today's crises. The ways in which the Federal government deals with energy problems must be streamlined. And energy policy must treat all citizens fairly.

o Dealing with the Current Crisis

With conservation and other measures, the United States will meet its commitment, reached jointly with other member nations of the International Energy Agency, to cut energy consumption by 5 percent by the latter part of 1979.

o Emergency Preparedness

The Department of Energy, in cooperation with state and local governments, will continue to develop and refine planning and management capabilities to deal with emergency shortages of supply.

Coal

Coal, the Nation's most abundant fossil energy resource, should be used in place of oil and gas wherever economically and environmentally feasible. Programs that increase the use of coal as a substitute for oil will receive the highest priority.

o Direct Use

- The Powerplant and Industrial Fuel Use Act (PIFUA) will be used to require coal use in all new electric utilities and major industrial fuel burning installations, and in existing coal capable facilities;
- Research, development, and demonstration (RD&D) programs will be used to develop environmental control technologies and environmentally acceptable means of direct coal use to enhance the overall market for coal and to increase the regulatory options available under the PIFUA.

o Coal Liquefaction

- RD&D for direct coal liquefaction processes will be used to develop the capability by the 1990s for commercial deployment of plants producing the most economic synthetic liquid fuel.
- Indirect coal liquefaction processes based on existing technology will be examined to determine whether they offer additional economic or environmental benefits.

o Coal Gasification

- The Administration supports favorable rate treatment and loan guarantees for first-generation Lurgi technology.
- The two second-generation gasification technologies now being considered for demonstration will be developed and analyzed further, leading to a decision in early FY 1980 whether to proceed with a demonstration plant.
- Research and development on advanced technologies will be continued. Funding levels will be based on whether the processes appear to promise more economic and environmental benefits than available technologies, and on whether this supplemental source of gas is needed.

o Improved Efficiency Coal Conversion

- R&D on advanced coal conversion systems such as magnetohydrodynamics (MHD), combined cycle, pressurized fluidized bed, and fuel cells will attempt to resolve key technical, economic, and environmental questions.

Nuclear

The Presidential Commission will provide a complete accounting of the causes of the Three Mile Island accident and its handling by utility, State, and Federal officials. The Nation needs to develop safeguards that will allow light water reactors to continue to meet an increasing share of electrical energy needs.

o Light Water Reactor

- The Administration will work toward resolving nuclear waste management issues, including both away-from-reactor storage and permanent disposal, in accordance with the recommendations of the Interagency Review Group.
- Nuclear siting and licensing legislation will be proposed to streamline procedures without in any way sacrificing the safety of new power plants.
- Generic R&D will be undertaken to improve light water reactor (LWR) operations, to improve the safety of LWRs, and to improve their efficiency and thus extend the uranium resources they utilize.
- Reliable and economic uranium enrichment services for domestic and foreign users will be assured by:
  - o Operating and expanding the existing gaseous diffusion plant capacity.
  - o Commercializing gas centrifuge technology by establishing a machine manufacturing industry and building a commercial centrifuge enrichment plant.
  - o Developing advanced isotope separation enrichment technology.

- o Grants will continue to be provided to low income families, schools, and hospitals to improve the energy efficiency of residential and community facilities.
- o The Administration will seek and exploit opportunities to demonstrate conservation and increased efficiency in energy use and productivity at the institutional and community level. Institutional barriers to greater conservation will be reduced by intervening in utility rate proceedings and by acquainting the public with opportunities to conserve.
- o The Federal government will lead the way in energy conservation, starting with its own buildings, processes, and transportation.
- o The Department of Energy will support research and development (R&D) to improve efficiency where the benefits of new developments will not be captured by industry without government involvement. Major R&D targets include industrial operations, buildings, and new automotive propulsion systems.

### Oil

Financial incentives and the reduction of institutional barriers are the major tools to raise oil production.

- o Domestic production will be increased by rapidly phasing out controls on crude oil and, until complete decontrol in 1981, by providing price incentives targeted for production from new discoveries, marginal wells, and the use of enhanced oil recovery techniques.
- o To prevent excessive revenues from flowing to producers in the wake of decontrol, the President has requested that the Congress enact a Windfall Profits Tax. Its proceeds would be used to help low-income families, to encourage mass transit, and to create an Energy Security Fund.
- o Alaska and California production will be stimulated through steps to accelerate transportation systems to bring oil more cheaply from the West Coast to mid-Continent, Gulf, and East Coast markets. Exports or swaps of Alaskan oil are also under consideration as a way to strengthen markets for West Coast production.

- o Oil Shale technology will be developed and tested on a commercial scale through a production tax credit financed by the Windfall Profits Tax.
- o To provide security in the event of a possible disruption, the Strategic Petroleum Reserve will be filled, ultimately to a level of one billion barrels.
- o Sources of production worldwide will be diversified. The Administration will support multilateral bank financing and other incentives for exploration, development, and production in less developed countries. The Administration will also encourage accelerated development of improved technologies for extraction of heavy oils and tar sands.

### Natural Gas

The natural gas policy has two high priority elements--use of the temporary domestic surplus to substitute for oil imports and incentives to increase conventional domestic production.

- o Domestic production will be encouraged by financial incentives, including the higher prices stemming from the recently enacted Natural Gas Policy Act; through a more stable and predictable regulatory environment; the deregulation of high-cost gas, most notably that below 15 thousand feet; and, deregulation on a predictable basis.
- o Surplus gas and reasonably-priced supplemental sources of gas will be used to displace foreign oil in existing industrial and utility facilities capable of burning both oil and gas; coal will continue to be the preferred fuel for existing coal-capable units and all new boiler facilities.
- o Supplemental sources of gas will be used in the order of their cost-effectiveness and security. Under present circumstances, the order of attractiveness is: Alaska production; pipeline gas from Canada and/or Mexico; short-haul liquefied natural gas (LNG); domestically produced synthetic gas, depending upon the resolution of certain technical problems and cost; and long-haul LNG.
- o Financial incentives or R&D as appropriate will be used to quicken the production of unconventional sources of gas, including gas from tight sands, Devonian shale, geopressurized methane, and coal bed methane. R&D programs will be directed at determining the size of the resource base, the cost of extraction, and the possible environmental effects.

In the mid-term, the Nation must seek to (1) keep imports sufficiently low to protect U.S. security and to extend the period before world oil demand reaches the limits of production capacity and (2) develop the capability to use new higher-priced ("backstop") technologies as world oil prices rise.

Because of the uncertainties in the mid-term outlook, the U.S. cannot afford to pursue an inflexible set of programs or actions. No one can be certain how fast or how slowly world oil prices will rise. The U.S. must press forward with those actions that are appropriate today. It should begin now to develop the capability to use new technologies that rely on domestic or non-OPEC resources, to be deployed if and only if they become competitive with imported oil at higher prices. Introduction of these advanced technologies also will require innovative solutions in design and deployment to ensure compatibility with environmental goals.

#### The Long Term (2000 and beyond)

The U.S. faces two major transitions in energy markets between now and the middle of the 21st century. The first will occur during the mid-term when the U.S. moves from an energy system which has depended on traditional oil and gas sources (including imports) to one relying on unconventional supplies. These "transitional" energy supplies include some renewable technologies, enhanced oil recovery, oil shale, unconventional gas, and coal-derived products.

Since even those supplies are depletable, a second transition will begin after the year 2000. A set of "ultimate" technologies, including all the renewable and advanced nuclear technologies, would begin to displace traditional fuels and non-renewable conventional sources.

The Nation's long-term objective is to have renewable and essentially inexhaustible sources of energy to sustain a healthy economy.

Many promising technologies may prove excessively expensive. Environmental and safety problems may render others infeasible. There is always the danger that premature or overbearing Federal support for any one group of technologies may foreclose more attractive options. The current generation cannot and should not impose its own judgments and values on generations yet to come. The final choices about deployment of various technologies must be left to them.

A sustainable energy future cannot be achieved overnight. The U.S. cannot expect "crash" technological breakthroughs to solve its energy problems. The technical advances that do occur are best encouraged by diligent, aggressive research and development programs for the widest range of options.

#### AN AGENDA FOR ACTION

The Federal government, State and local governments, and the private sector all have important responsibilities to advance conservation and specific fuel technologies in all three time periods. This section describes Federal policies and programs.

#### Conservation

Conservation continues to offer the greatest prospect of reducing dependence on unstable imports, reducing energy costs, and meeting environmental goals. The objectives of the Administration's conservation policies are two: to reduce the rate of growth in demand for energy and to improve the productivity of energy use--by increasing the energy efficiency of existing and future capital stocks of buildings, vehicles, homes, and industrial operations while sustaining economic growth. The tools for achieving these objectives will be mainly the impact of higher energy prices, the conservation tax incentives in the Energy Tax Act, and regulatory measures.

- o Conservation will be encouraged by policies for replacement-cost pricing, as embodied in the Natural Gas Policy Act, the phased decontrol of crude oil prices, and the Public Utilities Regulatory Policy Act.
- o The residential and industrial conservation tax credits in the Energy Tax Act will be an important mechanism to encourage near-term energy conservation.
- o Energy use in new buildings and appliances will be reduced by using the regulatory authorities in the Conservation Policy Act and other legislation. Energy use in automobiles will be regulated by fuel economy standards. The Administration will work to resolve promptly the issues surrounding future use of the diesel engine.

markets for those supplies will take many years and require enormous investments over a long period of time. Yet the effort is critical and, apart from political security benefits, the potential cost savings would be enormous. Actions too long delayed could have disastrous consequences.

To date, interminable conflict over the future of energy policy has been one of the most paralyzing uncertainties in the country's energy future. Only with the President's energy message of April 5 is the Nation finally moving towards an oil pricing policy that ends the subsidy for foreign oil. Institutional barriers have blocked increased energy production and new energy projects. Frequently, businesses have hesitated to undertake new projects or raise their production because of delays and uncertainties about government policies.

The energy policy debate has been one of the most divisive in recent years. Energy policy touches every economic interest, every group in American society. It leads into a complex tangle of sometimes competing national goals--market efficiency and greater production, equity among income classes and regions, environmental protection, national security, economic growth, and inflationary restraint. It will be difficult, and sometimes impossible, to reconcile all these goals.

An energy strategy must build on the National Energy Act of 1978. It must develop a consensus on issues that were not treated in the NEA, and on new issues that have arisen since. It must define a more active role for regional, State and local governments in addressing the vast array of energy problems that cannot be solved at the national level. It must demonstrate a new creativity in reducing the welfare and equity impacts of higher energy prices. It must determine how to balance the costs of short-run inflation with the benefits of long-run inflationary restraint. There is no alternative but to confront the difficult choices that lie ahead.

#### THE NATIONAL ENERGY STRATEGY

An energy strategy must balance those measures that improve the Nation's long-run security and those that better prepare it to deal with sudden crises. It must recognize the different problems that can emerge in three time-frames: the near term (from now to 1985), the mid term (from 1985 to 2000) and the long-term (2000 and beyond).

The Nation cannot resolve all the energy issues facing it now or at any one time. Every decision must be made carefully with recognition that more knowledge will permit wiser choices later. The main objectives of the strategy, nevertheless, must be to offer constant policy guidance for an uncertain future.

#### The Near Term (1979-85)

Over the next few years, the United States and the rest of the world will be fortunate to escape a second radical increase in world oil prices. The adjustment process would again be painful. Most of the energy-producing and energy-using equipment that will be important in that period is already in place.

Even with the benefits of last year's National Energy Act, imports are still unacceptably high, and without further action could be still higher by 1985.

As an immediate objective, which will become even more important in the future, the Nation must reduce its dependence on foreign oil and its vulnerability to supply interruptions.

The challenge of the near term is to ensure that investments in new energy producing and consuming equipment are made in the degree and kind that reflect the new realities, and that existing stock and equipment are used in the most effective way.

Movement toward the pricing of oil and gas at their true replacement cost will prepare American consumers better for long-term price increases and stimulate greater production and conservation now. Removal of barriers to new production will eliminate excessive regulatory delays that now paralyze the construction of new refineries, pipelines, and other energy projects. Filling the Strategic Petroleum Reserve (SPR), diversification of world oil supplies, and other actions will cushion the economic impact of an interruption. All these measures can set the stage for actions that will buy even greater energy security in the mid-term.

#### The Mid-Term (1985-2000)

During the mid-term, the U.S. and the rest of the world will begin to shift from reliance on oil and gas to new and higher-cost forms of energy. Energy consumption growth should be far slower than once anticipated. Direct coal use, electricity and decentralized renewable sources will increase their share of the market. The uncertainties--especially those surrounding world oil supply and price--are much greater for the mid-term than for the near term. These uncertainties will give the U.S. a major opportunity to influence more directly its own energy future.

development of new, higher-cost energy technologies and resources, which can be introduced at the proper times to help limit further price increases. It will be essential, as world oil prices rise, to ensure that such higher-cost substitutes for oil are available quickly and in the quantities needed.

#### PLANNING FOR UNCERTAINTY

The U.S. cannot develop a satisfactory energy policy until it recognizes the need to plan for a wide range of uncertainties. Despite a flood of energy forecasts and prognoses in recent years, no one can predict with certainty the Nation's energy future. But it is possible to understand better the forces that will shape that future.

The first set of uncertainties concern supply. The world has vast oil and gas resources. The basic doubt is whether enough new oil sources can be discovered and produced at current prices to meet even a low growth in world oil demand. More and more of the world's oil has come recently from high-cost, hostile environments. Many geologists believe that most of the world's largest fields have already been discovered, and that future discoveries may be smaller in size than in the past. As production from existing fields declines, successful discoveries would have to occur at a rate never before experienced to prevent large jumps in world oil prices.

Meanwhile, some of the countries in which world oil resources are concentrated are unlikely to produce at their maximum technical limit. They will seek to stretch out their oil supplies, and to seek the level of revenues that best meets their own needs for internal political and economic development. These supply factors could change, however. Stepped-up exploration outside OPEC could lead to unexpectedly large discoveries of new oil sources. Changing revenue needs of OPEC governments could lead to higher or lower output.

The second set of uncertainties concerns world energy demand. The world's appetite for oil in the next two decades will depend on economic growth, which is very difficult to predict. Conservation can hold down energy demand growth, but government policies, consumer behavior and the energy-efficiency of new capital goods and buildings are notoriously hard to predict, and their effects are hard to estimate. These factors will determine whether and how fast world oil demand reaches the limits of OPEC and non-OPEC production capacity.

Many other uncertainties also will affect future world oil price behavior. These include technological change, the policies of consumer-nation governments in developing substitutes for oil, and the role that communist governments will play in world oil markets as exporters, importers or both.

In short, the timing and size of price increases are clouded with uncertainty. However, under a broad variety of assumptions that span the range of reasonable opinion, it is almost inevitable that demand at current prices will exceed supplies at those prices at some time during the 1980s. It would be rash to ignore these uncertainties, take comfort from the existence of optimistic forecasts, or use them to justify inaction. The U.S. must plan for pessimistic and optimistic futures, and anticipate the problems and benefits that can emerge in all such futures.

Price is not the only measure of a "good" or "bad" energy future. Low oil prices bring short-run economic benefits, but lead to higher import levels and greater long-run political insecurities and economic vulnerability to import disruptions.

High oil prices may lead to reduced import levels, although non-market constraints on increased domestic supplies could emerge that would keep imports high. The U.S. must develop policies that balance and protect against the risks of higher prices, higher imports, or both.

#### TOWARD A U.S. ENERGY STRATEGY

Since the first OPEC price increase of 1973/74, the U.S. energy situation has continued to deteriorate. While there has been increased emphasis on conservation and demand growth has slowed, domestic production of energy has remained stationary for almost a decade.

The Nation stands at the threshold of a major transition in its sources of energy supply. Over the next two decades, the U.S. will meet its future demand growth not only with oil and gas, but increasingly with coal, nuclear power, renewables, and high-cost unconventional sources. No longer can it easily turn to imported oil to fill the supply gap, as it has in the past. Foreign oil will no longer be cheap and readily available. Moreover, the political costs of dependence will have become even more apparent and unacceptable.

The challenges of the transitional period are inherently formidable. Development of new transitional supplies and the development of new

## THE NATURE OF THE SECURITY PROBLEM

It is all too easy to be distracted by the crisis of the moment, and to overreact or to lose sight of the fundamental problems that crisis reflects. It is also easy to re-interpret long-term trends on the basis of today's headlines. Even small swings in production and consumption can create a glut or shortfall in world oil markets almost overnight. The public sense of urgency about the energy problem may change. But the dangers posed to the nation's political and economic security have now become clear and present.

These dangers have arisen from America's rapid and massive shift to consumption of foreign oil. In 1971, the U.S. imported 3.9 MMB/D, and paid only \$4 billion for that oil to foreign producers. In 1979, the U.S. will likely import 8.5 to 9.0 MMB/D and, with this year's surge in prices arising from the Iranian shortages, pay an import bill of over \$50 billion.

The origin of this sudden vulnerability lies in the American economy's historic dependence on a flow of cheap energy. Energy prices in the U.S. fell in real terms through most of this century. Falling energy prices encouraged greater—even profligate—use of domestic oil and gas resources. Yet the country's resources of oil and gas were finite. These powerful forces did not collide until late in the 1960s. Domestic oil production peaked in 1970 and has declined since that time. U.S. production of natural gas peaked in 1973. Yet the Nation has clung to policies and habits that try to restore the past, keep prices low and continue wasteful patterns of use. Many have been slow to recognize that the true cost of each new barrel of oil being consumed is the cost of imported oil brought in to replace domestic supply.

In the past 5 years, the price of dependence on a few oil producer countries has been a series of unpleasant economic shocks. The first OPEC price increase of 1973/74 quadrupled the cost of oil, helped push the U.S. into a recession, and required painful adjustments from which it has only lately recovered. Oil imports have directly raised the cost of everything in the U.S. that uses oil or oil substitutes, and thus have been a direct and indirect source of U.S. inflation. They also have contributed to the large U.S. trade deficits in 1977 and 1978 which led to the recent depreciation of the dollar.

Finally, the rise in world oil prices has affected every American's standard of living. The U.S. economy has had to give up more and more goods and services to pay for the same amount of foreign oil. Americans are simply not as well off when the terms on which they buy a vital commodity such as oil change so adversely.

This dependence on foreign oil has also ushered in a new era of political instabilities. In today's world—with little warning—a revolution, war, or political embargo in the Middle East can quickly and severely disrupt American economic activity. The political and military security of a few producing countries around the world has become of major significance for all oil-consuming countries. As the events in Iran have demonstrated, internal unrest in any major OPEC producer country can cause sudden problems in world oil markets. Closure of the Persian Gulf could plummet the U.S. and the other industrialized nations into a world-wide depression.

Over the next decade, the energy security problems facing the U.S. could worsen. The underlying supply and demand pressures for major world oil price increases in the 1980s are great. Any surplus production capacity that individual OPEC countries may have developed in recent years will almost certainly vanish by the mid-1980s, perhaps sooner. Producer governments with limited ability to absorb huge revenues have strong incentives to reduce output below maximum technical limits and keep world oil markets tight.

Unless there are major changes in forecasted energy production and consumption trends or efforts by governments, world oil prices by 1990 could reach \$30 per barrel. Adjusted for inflation, this is up to \$55 per barrel in 1990 prices. These increases are almost certain not to occur in any smooth or predictable way. Recent experience suggests that prices will rise in spurts as markets adjust, belatedly or prematurely, deliberately or inadvertently, to new realities. This erratic behavior is likely to aggravate the recessionary shocks and painful adjustments to higher prices.

The greater the long-term rise in world oil prices, the more they will slow world economic growth, dampen new investment, reduce employment and worsen inflation. Developing countries would suffer even greater direct harm than advanced industrialized nations; with the growing interdependence of the world economy, however, vulnerability to energy problems is a collective danger.

The U.S., and the governments of the other consumer nations which are already linked in the International Energy Agency, are not powerless to influence the world energy situation, however. For their own security, they have no choice but to do so. They can limit the economic damage from higher world oil prices, and limit world oil price increases. Through policies that encourage conservation and use of alternative fuels, consuming nations can reduce the demand pressures that would lead to high world oil prices. They also can stimulate

## OVERVIEW

The oil embargo of 1973/74 signaled a fundamental change in the ability of the industrialized nations to chart their own economic destinies and to guarantee the economic security of their citizens. Only major wars and recessions have directly affected so many people in the world's oil-consuming nations. In the U.S., the oil embargo led to nationwide shortages of petroleum, a \$60 billion drop in GNP, more rapid inflation, and large balance-of-payments deficits that continue to plague the economy today.

In the winter of 1976/77, the U.S. faced another energy emergency--a natural gas shortage caused by abnormally cold weather. Factories across the country closed, leaving workers temporarily out of jobs and dramatically reducing output.

In the winter and spring of 1978, a nationwide coal strike idled thousands of workers, threatened millions of other jobs, and raised the prospect of not having enough energy to heat and light homes.

In the winter of 1978-1979, the U.S. and the world suffered yet another blow--a substantial reduction in crude oil supplies with the almost complete elimination of Iranian production. The oil consuming countries have had to borrow against current stocks, cutting into their capacity to build up supplies against next winter's cold.

In the near future, the U.S. will suffer serious shortages of unleaded gasoline unless its refineries are expanded and upgraded. Investments in new refinery capacity have been discouraged in the past by regulations that did not allow for adequate financial returns.

These past and prospective energy setbacks are only symptoms of the broader energy problem the U.S. and the world now face:

The U.S. and other major world consumers can expect more disruptions in oil supplies, at other places and at other times, as a result of events such as wars and unrest abroad, politically inspired embargoes, strikes, sabotage, and other emergencies. Over the long-term, the supply of oil will be fundamentally limited by the capacities and production decisions of those few countries in which world oil resources are concentrated. When increases in production at current prices no longer can keep pace with rising world oil demand, prices will rise sharply to bring markets into balance. As world oil supplies tighten under fundamental long-term pressures, the instability of the basic supply sources threatens even more economic and political damage to the U.S. It will make even more difficult the transition to the coming era of scarcer, more expensive energy supplies.

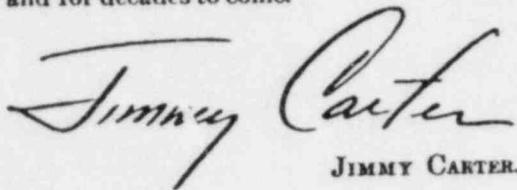
Fourth, we must find ways to expeditiously develop and use our energy resources, while protecting and enhancing the quality of the environment. The length and complexity of many Federal, State, and local permitting procedures, however, has created needless complexity and increased time and cost, without improving the protection to the public or the environment. We must remove the needless red tape which is tying up many needed energy projects. I have signed an Executive Order to expedite Federal decisionmaking for certain energy projects, which are deemed to be in the national interest.

Fifth, we must provide international leadership to deal with the crisis before us today. The members of the International Energy Agency have joined in a common commitment to reduce energy consumption in response to current shortages. The United States has provided leadership in gaining this commitment. I will assure the United States does its part to meet that commitment.

The energy program I announced on April 5th puts the country in a strong position to achieve these goals. The Plan I am forwarding today shows how these programs relate to our overall energy problem, and to the other policies and programs which we must carry forward.

This National Energy Plan explicitly recognizes the uncertainties—geologic, technological, economic, political, and environmental—which confront us. It presents a strategy for dealing forthrightly with the uncertainties, with the threats and promises of our energy future.

The analysis in the Plan shows the need to move aggressively to meet the grave energy challenges to our Nation's vitality. My April 5th proposals confront those challenges squarely. Together with the National Energy Plan, we are providing a firm foundation for dealing with these challenges today and for decades to come.



JIMMY CARTER

THE WHITE HOUSE, May 7, 1979.

## National Energy Plan II

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*To the Congress of the United States:*

I am pleased to transmit to the Congress the second National Energy Plan, as required by Section 801 of the Department of Energy Organization Act (Public Law 95-91).

The First National Energy Plan, which I sent to the Congress two years ago, was the first comprehensive effort to deal with the broad scope of the Nation's energy problems. The resulting National Energy Act, passed last autumn, acted on a number of my proposals, and will have an important and lasting role in preparing for the Nation's energy future.

But much remains to be done. And we must now deal jointly with a number of issues which have matured since April 1977.

As I said in my April 5th energy message, our Nation's energy problems are real. They are serious. And they are getting worse. Every American will have to help solve those problems. But it is up to us—the Congress and the Executive Branch—to provide the leadership.

We must now build on the foundation of the National Energy Act. In my April 5th energy address, I laid out a program for action in five areas.

First, in accordance with the Energy Policy and Conservation Act of 1975, I have announced a program to phase out controls on domestic crude oil prices by September 30, 1981. Oil should be priced at its true replacement value if we are to stop subsidizing imports, increase U.S. oil production, reduce demand, and encourage the development and use of new energy sources.

Second, the increased revenues from decontrol must not unduly or unjustly enrich oil producers at the expense of consumers. For this reason, I have proposed a tax on the windfall profits due to decontrol. Proceeds from that tax would be used to establish an Energy Security Trust Fund, which would be available, in part, to assist those low-income Americans who can least afford higher energy prices.

Third, we must provide additional emphasis on conservation and on the development of new domestic energy sources and technologies. The Energy Security Trust Fund will also provide funds for energy saving mass transit and for tax incentives and accelerated research and demonstration of new energy technologies.

ENCLOSURE 2

SECOND NATIONAL ENERGY PLAN

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MESSAGE

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

THE SECOND NATIONAL ENERGY PLAN, PURSUANT TO SECTION 801  
OF THE DEPARTMENT OF ENERGY ORGANIZATION ACT



MAY 7, 1979.—Message and accompanying papers referred to the  
Committee of the Whole House on the State of the Union  
and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1979

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Seventh, because nuclear waste management is a problem shared by many other countries and decisions on waste management alternatives have nuclear proliferation implications, I will continue to encourage and support bilateral and multi-lateral efforts which advance both our technical capabilities and our understanding of spent fuel and waste management options, which are consistent with our non-proliferation policy.

In its role as lead agency for the management and disposal of radioactive wastes and with cooperation of the other relevant Federal agencies, the Department of Energy is preparing a detailed National Plan for Nuclear Waste Management to implement these policy guidelines and the other recommendations of the IRG. This Plan will provide a clear road map for all parties and will give the public an opportunity to review the entirety of our program. It will include specific program goals and milestones for all aspects of nuclear waste management. A draft of the comprehensive National Plan will be distributed by the Secretary of Energy later this year for public and Congressional review. The State Planning Council will be directly involved in the development of this plan.

The Nuclear Regulatory Commission now has underway an important proceeding to provide the Nation with its judgment on whether or not it has confidence that radioactive wastes produced by nuclear power reactors can and will be disposed of safely. I urge that the Nuclear Regulatory Commission do so in a thorough and timely manner and that it provide a full opportunity for public, technical and government agency participation.

Over the past two years as I have reviewed various aspects of the radioactive waste problem, the complexities and difficulties of the issues have become evident -- both from a technical and, more importantly, from an institutional and political perspective. However, based on the technical conclusions reached by the IRG, I am persuaded that the capability now exists to characterize and evaluate a number of geologic environments for use as repositories built with conventional mining technology. We have already made substantial progress and changes in our programs. With this comprehensive policy and its implementation through the FY 1981 budget and other actions, we will complete the task of reorienting our efforts in the right direction. Many citizens know and all must understand that this problem will be with us for many years. We must proceed steadily and with determination to resolve the remaining technical issues while ensuring full public participation and maintaining the full cooperation of all levels of government. We will act surely and without delay, but we will not compromise our technical or scientific standards out of haste. I look forward to working with the Congress and the states to implement this policy and build public confidence in the ability of the government to do what is required in this area to protect the health and safety of our citizens.

JIMMY CARTER

THE WHITE HOUSE,

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until repositories are available. I urge the utility industry to continue to take all actions necessary to store spent fuel in a manner that will protect the public and ensure efficient and safe operation of power reactors. However, a limited amount of government storage capacity would provide flexibility to our national waste disposal program and an alternative for those utilities which are unable to expand their storage capabilities.

I reiterate the need for early enactment of my proposed spent nuclear fuel legislation. This proposal would authorize the Department of Energy to: (1) design, acquire or construct, and operate one or more away-from-reactor storage facilities, and (2) accept for storage, until permanent disposal facilities are available, domestic spent fuel, and a limited amount of foreign spent fuel in cases when such action would further our non-proliferation policy objectives. All costs of storage, including the cost of locating, constructing and operating permanent geologic repositories, will be recovered through fees paid by utilities and other users of the services and will ultimately be borne by those who benefit from the activities generating the wastes.

Fourth, I have directed the Department of Energy to work jointly with states, other government agencies, industry and other organizations, and the public, in developing national plans to establish regional disposal sites for commercial low level waste. We must work together to resolve the serious near-term problem of low level waste disposal. While this task is not inherently difficult from the standpoint of safety, it requires better planning and coordination. I endorse the actions being taken by the Nation's governors to tackle this problem and direct the Secretary of Energy to work with them in support of their effort.

Fifth, the Federal programs for regulating radioactive waste storage, transportation and disposal are a crucial component of our efforts to ensure the health and safety of Americans. Although the existing authorities and structures are basically sound, improvements must be made in several areas. The current authority of the Nuclear Regulatory Commission to license the disposal of high level waste and low level waste in commercial facilities should be extended to include spent fuel storage, and disposal of transuranic waste and non-defense low level waste in any new government facilities. I am directing the Environmental Protection Agency to consult with the Nuclear Regulatory Commission to resolve issues of overlapping jurisdiction and phasing of regulatory actions. They should also seek ways to speed up the promulgation of their safety regulations. I am also directing the Department of Transportation and the Environmental Protection Agency to improve both the efficiency of their regulatory activities and their relationships with other Federal agencies and state and local governments.

Sixth, it is essential that all aspects of the waste management program be conducted with the fullest possible disclosure to and participation by the public and the technical community. I am directing the departments and agencies to develop and improve mechanisms to ensure such participation and public involvement consistent with the need to protect national security information. The waste management program will be carried out in full compliance with the National Environmental Policy Act.

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It is important to stress the following two points: First, because the suitability of a geologic disposal site can be verified only through detailed and time-consuming site specific evaluations, actual sites and their geologic environments must be carefully examined. Second, the development of a repository will proceed in a careful step-by-step manner. Experience and information gained at each phase will be reviewed and evaluated to determine if there is sufficient knowledge to proceed with the next stage of development. We should be ready to select the site for the first full-scale repository by about 1985 and have it operational by the mid-1990's. For reasons of economy, the first and subsequent repositories should accept both defense and commercial wastes.

Consistent with my decision to expand and diversify the Department of Energy's program of geologic investigation before selecting a specific site for repository development, I have decided that the Waste Isolation Pilot Plant project should be cancelled. This project is currently authorized for the unlicensed disposal of transuranic waste from our National defense program, and for research and development using high level defense waste. This project is inconsistent with my policy that all repositories for highly radioactive waste be licensed, and that they accept both defense and commercial wastes.

The site near Carlsbad, New Mexico, which was being considered for this project, will continue to be evaluated along with other sites in other parts of the country. If qualified, it will be reserved as one of several candidate sites for possible use as a licensed repository for defense and commercial high level wastes. My fiscal year 1981 budget contains funds in the commercial nuclear waste program for protection and continued investigation of the Carlsbad site. Finally, it is important that we take the time to compare the New Mexico site with other sites now under evaluation for the first waste repository.

Over the next five years, the Department of Energy will carry out an aggressive program of scientific and technical investigations to support waste solidification, packaging and repository design and construction including several experimental, retrievable emplacements in test facilities. This supporting research and development program will call upon the knowledge and experience of the Nation's very best people in science, engineering and other fields of learning and will include participation of universities, industry, and the government departments, agencies, and national laboratories.

Third, during the interim period before a disposal facility is available, waste must and will continue to be cared for safely. Management of defense waste is a Federal responsibility; the Department of Energy will ensure close and meticulous control over defense waste facilities which are vital to our national security. I am committed to maintaining safe interim storage of these wastes as long as necessary and to making adequate funding available for that purpose. We will also proceed with research and development at the various defense sites that will lead the processing, packaging, and ultimate transfer to a permanent repository of the high level and transuranic wastes from defense programs.

In contrast, storage of commercial spent fuel is primarily a responsibility of the utilities. I want to stress that interim spent fuel storage capacity is not an alternative to permanent disposal. However, adequate storage is necessary

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First, my Administration is committed to providing an effective role for State and local governments in the development and implementation of our nuclear waste management program. I am therefore taking the following actions:

- o By Executive Order, I am establishing a State Planning Council which will strengthen our intergovernmental relationships and help fulfill our joint responsibility to protect public health and safety in radioactive waste matters. I have asked Governor Riley of South Carolina to serve as Chairman of the Council. The Council will have a total of 19 members: 15 who are Governors or other elected officials, and 4 from the Executive departments and agencies. It will advise the Executive Branch and work with the Congress to address radioactive waste management issues, such as planning and siting, construction, and operation of facilities. I will submit legislation during this session to make the Council permanent.
- o In the past, States have not played an adequate part in the waste management planning process -- for example in the evaluation and location of potential waste disposal sites. The States need better access to information and expanded opportunity to guide waste management planning. Our relationship with the States will be based on the principle of consultation and concurrence in the siting of high level waste repositories. Under the framework of consultation and concurrence, a host State will have a continuing role in Federal decisionmaking on the siting, design and construction of a high level waste repository. State consultation and concurrence, however, will lead to an acceptable solution to our waste disposal problem only if all the States participate as partners in the program I am putting forth. The safe disposal of radioactive waste, defense and commercial, is a national, not just a Federal, responsibility.
- o I am directing the Secretary of Energy to provide financial and technical assistance to States and other jurisdictions to facilitate the full participation of State and local government in review and licensing proceedings.

Second, for disposal of high level radioactive waste, I am adopting an interim planning strategy focused on the use of mined geologic repositories capable of accepting both waste from reprocessing and unprocessed commercial spent fuel. An interim strategy is needed since final decisions on many steps which need to be taken should be preceded by a full environmental review under the National Environmental Policy Act. In its search for suitable sites for high level waste repositories, the Department of Energy has mounted an expanded and diversified program of geologic investigations that recognize the importance of the interaction among geologic setting, repository host rock, waste form and other engineered barriers on a site-specific basis. Immediate attention will focus on research and development, and on locating and characterizing a number of potential repository sites in a variety of different geologic environments with diverse rock types. When four to five sites have been evaluated and found potentially suitable, one or more will be selected for further development as a licensed full-scale repository.

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February 12, 1980

Office of the White House Press Secretary

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THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

Today I am establishing this Nation's first comprehensive radioactive waste management program. My paramount objective in managing nuclear wastes is to protect the health and safety of all Americans, both now and in the future. I share this responsibility with elected officials at all levels of our government. Our citizens have a deep concern that the beneficial uses of nuclear technology, including the generation of electricity, not be allowed to imperil public health or safety now or in the future.

For more than 30 years, radioactive wastes have been generated by programs for national defense, by the commercial nuclear power program, and by a variety of medical, industrial and research activities. Yet past governmental efforts to manage radioactive wastes have not been technically adequate. Moreover, they have failed to involve successfully the States, local governments, and the public in policy or program decisions. My actions today lay the foundation for both a technically superior program and a full cooperative Federal-State partnership to ensure public confidence in a waste management program.

My program is consistent with the broad consensus that has evolved from the efforts of the Interagency Review Group on Radioactive Waste Management (IRG) which I established. The IRG findings and analysis were comprehensive, thorough and widely reviewed by public, industry and citizen groups, State and local governments, and members of the Congress. Evaluations of the scientific and technical analyses were obtained through a broad and rigorous peer review by the scientific community. The final recommendations benefited from and reflect this input.

My objective is to establish a comprehensive program for the management of all types of radioactive wastes. My policies and programs establish mechanisms to ensure that elected officials and the public fully participate in waste decisions, and direct Federal departments and agencies to implement a waste management strategy which is safe, technically sound, conservative, and open to continuous public review. This approach will help ensure that we will reach our objective -- the safe storage and disposal of all forms of nuclear waste.

Our primary objective is to isolate existing and future radioactive waste from military and civilian activities from the biosphere and pose no significant threat to public health and safety. The responsibility for resolving military and civilian waste management problems shall not be deferred to future generations. The technical program must meet all relevant radiological protection criteria as well as all other applicable regulatory requirements. This effort must proceed regardless of future developments within the nuclear industry -- its future size, and resolution of specific fuel cycle and reactor design issues. The specific steps outlined below are each aimed at accomplishing this overall objective.

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"Present knowledge about the physical phenomena discussed in this section is subject to considerable uncertainty. Although important meltdown accident research is underway in the United States and Europe, much study is still needed in the areas of fuel melting and liquefaction, fuel-water interactions, and fuel concrete interactions.

"We believe that had a meltdown accident occurred at TMI-2, the likely path followed would not have led to disaster; however, considerable additional research into meltdown accident phenomena is needed to reduce the uncertainties associated with these phenomena and to provide a better basis upon which to consider such accidents."

After the accident at Three Mile Island, the Nuclear Regulatory Commission decided not to license new nuclear power plants until criteria for improved safety had been developed. The NRC has found that actions commended by its own staff and by the President's Commission in the areas of human factors, operational safety, emergency planning, nuclear power plant design and siting, health effects, and public information are necessary and feasible. Interim measures have been taken, and an Action Plan has been developed to include other safety improvements, detailed criteria for their implementation and various implementation deadlines. The NRC has approved the issuance of licenses for three nuclear power units to load fuel and, under specified conditions which ensure safety, to operate at low power levels for testing.

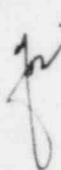
With regard to wastes from the nuclear power plants, enclosed is a message of February 12, 1980, from the President to the Congress, establishing a comprehensive radioactive waste management program intended to protect the public health and safety.

As to alternative sources of energy, enclosed is the Overview section of the Second National Energy Plan transmitted to the Congress by the President on May 7, 1979. It may be noted that the part on nuclear power states: "The Nation needs to develop safeguards that will allow light water reactors to continue to meet an increasing share of electrical energy needs." Also enclosed is a statement of December 7, 1979, by the President on the Three Mile Island accident, which includes the following: "Every domestic energy source, including nuclear power, is critical if we are to be free as a country from our present over-dependence on unstable and uncertain sources of high priced foreign oil."

The Honorable William S. Broomfield - 3 -

Every effort is being made to protect the public health and safety at all nuclear power plants that are currently in operation or that may start operating in the future. Any plants that are found to be unsafe will not be allowed to operate.

Sincerely,

 (Signed) T. A. Rehm  
William J. Dircks  
Acting Executive Director for Operations

Enclosures:

1. Message dtd 2/12/80 to Congress  
from the President
2. Overview Section of Second National  
Energy Plan dtd 5/7/79
3. Statement dtd 12/7/79 by the  
President on the Kemeny Commission  
Report on TMI
4. Ltr dtd 7/21/80 from Mr. Michael C. Haig