

Congress of the United States

House of Representatives

105th Congress

Committee on Small Business

2301 Rayburn House Office Building

Washington, DC 20515-8315

December 2, 1993

Dr. Ivan Selin, Chairman
Nuclear Regulatory Commission
One White Flint North Building
11555 Rockville Pike
Rockville, MD 20852

Dear Chairman Selin:

I am writing to you on behalf of Materials Engineering Associates, Inc. (MEA), a small company that operates a research nuclear reactor at the State University of New York (SUNY) facility in Buffalo. It has come to my attention that actions being taken or contemplated by the Nuclear Regulatory Commission (NRC) will adversely affect MEA, in ways that appear to contravene stated government policy and represent an inefficient use of taxpayer money.

MEA currently has a contract with NRC for advanced materials testing which will be terminated in March 1994. As a result of the contract termination, NRC is planning to take the work that is being performed in Buffalo by MEA and transfer it to a government laboratory in Oak Ridge. The particular work involves irradiation of small capsules containing reactor pressure vessel material. The capsule irradiation technology was developed by MEA to test the possibility of extending the life of nuclear reactors. Now, the NRC wants MEA to transfer that technology to the government and close down the line of business.

NRC's decision appears to run counter to the thrust of government policy in recent years, which has been to transfer technology to, not out of, the private sector. When a service is being performed effectively by a private company, it is arguably not good public policy for the government to take that business away and give it to a government entity. NRC's action in this particular instance has the effect of jeopardizing 20 private jobs in Buffalo.

Moreover, as a result of contract termination, the NRC is planning to remove government equipment, such as warm cells and manipulators, which has become contaminated and either decontaminate it or dispose of it at the Barnwell, South Carolina

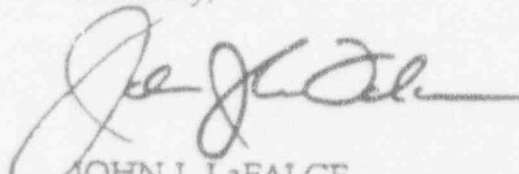
waste disposal site. This equipment is in excellent condition and could be used on future government contracts by MEA. MEA has, in fact, been selected for a long-term contract by Naval Reactors which would require use of the equipment at the Buffalo Materials Research Center.

If the equipment is shipped to a disposal site, MEA will have to repurchase similar equipment to fulfill that new contract with part of the cost passed on to the government. In my estimation, this seems to be an inefficient use of taxpayer money.

I would appreciate your looking into this matter as expeditiously as possible. In particular, I am interested in ascertaining whether NRC is willing to consider alternative approaches which would continue to make the equipment or a portion of it available for use by MEA on future government contracts.

Thank you for your attention to this important matter.

Sincerely,



JOHN J. LaFALCE
Chairman

JJL/jb