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## United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS  
WASHINGTON, D.C. 20510

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February 10, 1983

The Honorable Nunzio J. Palladino  
Chairman  
Nuclear Regulatory Commission  
Washington, D. C. 20555

Dear Nunzio:

On October 8, 1981, President Reagan, in his Statement on Nuclear Power, announced a series of policy initiatives "to correct present government deficiencies and to enable nuclear power to make its essential contribution to our future energy needs." In that statement, the President directed the Secretary of Energy to recommend improvements in the nuclear licensing and regulatory process. We understand that the Secretary of Energy has prepared a package of legislative reforms based upon the recommendations of the Department's Task Force on Nuclear Licensing and Regulatory Reform, and that this package will be submitted to Congress shortly.

President Reagan also expressed hope that, in addition to the Department of Energy effort, the Chairman of the Nuclear Regulatory Commission would take steps to facilitate the licensing of plants under construction and those awaiting licenses.

We understand that the Commission is preparing a package of legislative reforms for submission to Congress. We have closely followed the efforts of your Ad Hoc Committee for Review of Nuclear Reactor Licensing Reform proposals over the past ten months, and it appears that a broad consensus has emerged from the efforts of this group that the existing licensing process is badly in need of reform.

We sincerely applaud the efforts of the Commission to improve the existing licensing process through both legislative and administrative reforms, and we urge you to submit to us as soon as possible your recommended legislative reforms in order that we may seriously consider them early in this session.

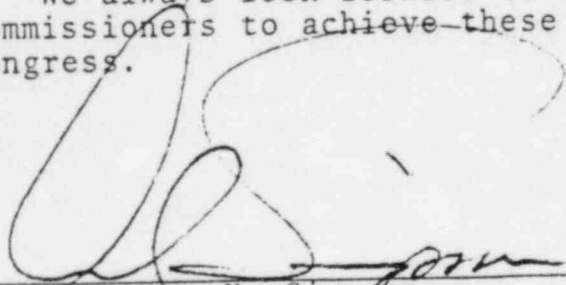
Existing and nearly-completed nuclear powerplants represent an investment of hundreds of billions of dollars by American utilities, their ratepayers and shareholders. These plants are not only vital to our national energy self-sufficiency, but will also play an essential role in this nation's economic growth.

As the President emphasized in his October 8, 1981 statement, "nuclear power has become entangled in a morass of regulations that do not enhance safety but that do cause extensive licensing delays and economic uncertainty." These views on the need for nuclear licensing reform are shared both by the bipartisan Nuclear Safety Oversight Committee, appointed by former President Carter and chaired by former Governor Babbitt of Arizona, and by your own Ad Hoc Committee for Review of Nuclear Reactor Licensing Reform proposals, a group whose membership represents a wide spectrum of interests.

It is essential that your nuclear licensing reform proposals address both short-term problems facing existing and nearly completed powerplants, such as "backfitting" and the public hearing process, and long-term obstacles to new powerplant orders, such as two-stage licensing and duplicative environmental reviews.

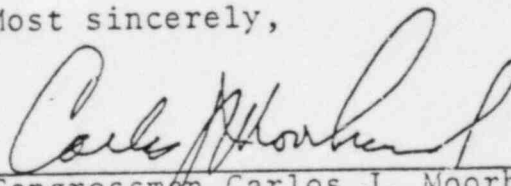
We firmly believe that comprehensive licensing reform legislation will serve to stabilize the existing regulatory process, thereby providing American utilities with the certainty and predictability necessary to ensure that they can provide this nation's consumers with a safe, economical source of electricity. More importantly, we now have a significant opportunity to improve the quality of the licensing process -- in a fashion that will serve to greatly enhance the public confidence in future decisions rendered by the NRC.

We always look forward to working together with you and your fellow Commissioners to achieve these vital regulatory reforms early this Congress.



Senator Alan K. Simpson  
Chairman  
Subcommittee on Nuclear Regulation  
Committee on Environment and  
Public Works

Most sincerely,



Congressman Carlos J. Moorhead  
Committee on Energy and Commerce  
Ranking Minority Member, Subcommittee  
on Energy Conservation and Power