



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

PDR

June 27, 1986

The Honorable James A. McClure  
Chairman, Committee on Energy and  
Natural Resources  
United States Senate  
Washington, D. C. 20510

Dear Mr. Chairman:

Thank you for your letter of May 20, 1986 supporting the Commission's proposed Advanced Reactor Policy Statement and stating your views regarding our continued interaction with Department of Energy and industry on advanced reactor designs. Let us take this opportunity to inform you of the status of each of these items.

The Commission is close to issuing a final Advanced Reactor Policy Statement and hopes to do so in early July 1986. Public comments received last year on the draft policy statement have been reviewed and considered in preparing the final version. The main points of the policy statement, namely the encouragement of early interaction between the NRC staff and reactor designers and the listing of characteristics the Commission desires to be incorporated in advanced designs, remain the focus of the final policy statement. The NRC will maintain an advanced reactor group to support this effort as stated in the policy.

With regard to our interactions with the Department of Energy on the advanced High Temperature Gas-Cooled Reactor and the Liquid Metal Reactors, earlier this year we cut back our effort in this area due to resource constraints. The Department of Energy has requested that we reconsider this decision. Various options and the resources required for accomplishing the review of these advanced concepts will be assessed as part of our current budget review process. We expect a decision regarding the extent of our future effort to be reached before the end of FY 1986. We will keep you informed of the outcome.

Commissioner Bernthal notes the following sequence of events:

The Commission in its budget estimate for FY-1987 (NUREG-1100) stated that "Resources are provided for interaction and coordination with industry and DOE on developing potential advanced reactor concepts."

As the Chairman notes, the Commission has since adopted an Advanced Reactor Policy Statement which, in its central thesis, recognizes the need "to encourage the earliest possible interaction of applicant, vendors, and government agencies with the NRC.... Such interaction and guidance early in the design process should enhance stability and predictability in the licensing and regulation of advanced reactors."

On February 19, 1986 NRC's Harold Denton found it necessary in a letter to DOE to advise that the NRC would no longer be able to meet its earlier commitment to provide preliminary safety reviews of DOE advanced reactor designs.

On March 19, recognizing that the proposed cuts in the Commission's program could cripple the Commission's ability to respond to requests for reviews by DOE and others, I asked then Acting EDO, Victor Stello to inform me immediately "of any delay or inability on the part of NRC to provide such timely commentary to DOE, EPRI, GCRA, NSSS vendors, or any other entity as a consequence of the proposed FY-86 budget cuts." I also identified a number of specific areas where I believed and continue to believe NRC could achieve offsetting budgetary savings.

On April 16, the ACRS made known, in no uncertain terms, its strong support for the continuation of this program: "The ACRS recommended the early-interaction approach in the past, and we continue to support it strongly.... We have been told by NRR Staff that their budget is being reduced drastically and that it may be necessary to terminate the early interactions with DOE. We are also told by DOE that it will be a great loss if this interaction ceases, that DOE and its subcontractors will be unable to proceed effectively without NRC safety input and regulatory guidance.... We believe it would be very shortsighted for NRC to terminate this effort for budgetary reasons."

On May 7, Mr. Stello responded to my March 19 memorandum, saying only that he has "asked staff to relook at the amount of resources assigned to the advanced reactor program...." and that "In the interim, the staff is continuing to finish the review of those items requested by DOE prior to February 19, 1986." [Emphasis added]

Finally, in a May 21 letter to Mr. Stello, Mr. Vaughn of DOE responded as follows to the earlier Denton letter: "[T]his change in Nuclear Regulatory Commission plans will have a major impact on the affected DOE advanced reactor programs.... We must have some decision on the specific plans for further NRC reviews.... The press of current business and the events at Chernobyl should not be allowed to displace our mutual needs to prepare for the future."

The Commission, in response to the above events, now says "we expect a decision regarding the extent of our future effort to be reached before the end of FY 1986." The Commission has been evaluating this matter for more than four months; I believe the decision best for our country and the future of nuclear power is clear, should have been made long ago, and can easily be made by the end of July.

Commissioner Asselstine adds the following:

I agree that the Commission should make a decision on the resources needed to support the advanced reactor effort in the very near future. I also believe that, for the effort to be meaningful, it should be focused on achieving a level of safety that is substantially above that achieved by the current generation of reactors.

If you have any questions we would be pleased to answer them in writing or to meet with you or your staff at your convenience.

Sincerely,

A handwritten signature in cursive script, reading "Nunzio J. Palladino".

Nunzio J. Palladino

cc: The Honorable John S. Herrington  
Secretary, DOE