



Department of Energy

Washington, DC 20585

JUL 22 1988

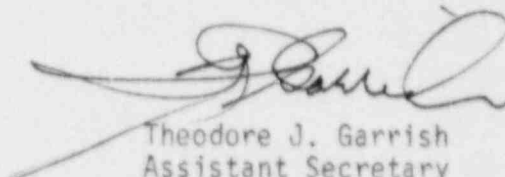
Honorable Lando W. Zech, Jr.
Chairman, U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Chairman:

The Department of Energy strongly supports the initiatives you have taken toward the standardization of future nuclear powerplants. Continued pursuit of these efforts can accomplish much toward improving the licensing process and facilitating the future growth of nuclear energy. In addition to these efforts, we would encourage the Commission to consider seriously other measures that would promote the development of advanced light water reactors or other new reactors. Specifically, the public needs to be sure that all relevant safety concerns have been fully aired and resolved as part of the review and certification of new standardized designs. The industry needs to be encouraged to participate in a very lengthy review of first-of-a-kind product that offers safety advantages relative to earlier product lines.

Given the importance of introducing a new generation of reactors, we believe that encouragement of their development by a waiver of certification fees for standardized designs is in the national interest and is consistent with your standardization policy.

Sincerely,



Theodore J. Garrish
Assistant Secretary
for Nuclear Energy

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Mr. Samuel J. Chilk
Secretary of the Commission
ATTN: Docketing and Service Branch
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Chilk:

The purpose of this letter is to provide comments on the Nuclear Regulatory Commission (NRC) proposal to revise its fee schedules in 10 CFR Parts 170 and 171, as set out in a Federal Register notice dated June 27, 1988, at page 24077. Our particular concerns relate to the manner in which you propose to treat standard plant licensing fees.

The Department of Energy is engaged in cooperative programs with the industry to help remove obstacles to the realization of a sound nuclear energy base. As a part of these efforts, the industry is developing advanced standard plant designs and, at the appropriate time, submitting these designs for Design Certification. Because of the advanced nature of these plants which will incorporate new approaches to ensuring safety, it is possible that extensive safety reviews of first-of-a-kind features will be necessary to ensure that all relevant safety concerns have been fully aired. Since the development and certification of these advanced plant designs is in the national interest, it does not appear desirable for the Federal Government to increase the economic disincentive to their development through a licensing fee policy of the type proposed in the Federal Register notice.

As we understand your proposed treatment of standardized plants, although there is some relief given through deferral of fees, the basic approach still calls for "full cost" recovery of the expenditures made by NRC in reviewing the standard plant designs.

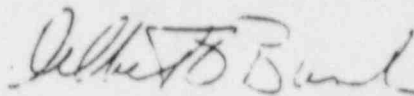
In our view, the most desirable approach would be for the NRC to grant a waiver of the fees for design reviews and certification of advanced standard plant designs. Once the certification for a given standard plant is obtained, fees could then be assessed when a utility orders a plant. In the event there are no orders or action on the application is terminated, there would be no fee charged.

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ACKNOWLEDGED BY CARD JUL 27 1988

The Department believes that action by the Commission to grant such waivers would contribute substantially to the success of a program vital to the national interest. Therefore, we urge revision of your proposed fee schedule along these lines.

Sincerely,

A handwritten signature in dark ink, appearing to read "Delbert F. Bunch". The signature is fluid and cursive, with the first name "Delbert" and last name "Bunch" being clearly distinguishable.

Delbert F. Bunch
Principal Deputy Assistant Secretary
for Nuclear Energy