OCT . 0 1963

Mrs. Urls F. Massion 1 Keller Street Petaluma, California

Dear Mrs. Mannions

This replies to your latter of August 24, 1963 addressed to Chairwan Seaborg in which you expressed concern relative to the proposed construction of a nuclear power plant at Bodega Bay, California.

I can assure you that the Atomic Energy Commission has not, either formally or informally. "affirmed" the construction of a nuclear power reactor at Bodega Bay, California. A construction permit will not be issued unless the Commission, following a public hearing and a decision by the Atomic Safety and Licensing Board and consideration of all factors bearing upon safety, is convinced that the facility can be constructed and operated at the proposed location without undue risk to the health and safety of the public. The public hearing will not be a "mere formality".

Enclosed is a pemphlat which describes the procedures relating to the licensing of power reactors by the Atomic Energy Commission. We are confident that these procedures and their provision for public bearing will enable all interested persons to acquaint themselves with the details of Pacific Gas & Electric Company's proposal and will assure therough consideration of all aspects of the proposed plant bearing upon the question of safety. It should be noted, however, that such matters as conservation, local soning and the esthetics of the site are matters within local and state jurisdiction and are not within the purview of the Atomic Energy Commission.

Concerning your reference to our considering "... money already spent by PG&E ...", enclosed is a copy of the Commission's regulation, 10 CFR Part 50, "Licensing of Production and Utilization Facilities". Section 50.10(b) concerns the point you have raised. That section provides that the construction of a proposed reactor may not begin prior to the issuance of a construction permit by the Atomic Energy Commission. You will note that "construction", as defined in the above cited section, does not include site excavation, construction of roadways, railroad spurs, temporary buildings for use in connection with construction, etc. However, the Commission has pointed out many times that any such site preparation prior to the issuance of a construction permit is undertaken at the applicant's risk and is given no consideration by the Commission in its decision on the application.

Sincerely yours,

(Blear R. Price, Assistant Director Division of Licensing and Regulation

> Eber R. Price Assistant Director Division of Licensing and Regulation

Enclosures:

1. Pamphlet

2. 10 CFR Part 50

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