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## United States Senate

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

September 1, 1983

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

Dear Joe:

On June 1, 1983, in response to a draft application filed with the Commission for the retransfer of Facility Operating License No. R-81 on behalf of Union Carbide Subsidiary "B", Inc. and Cintichem, Inc., William J. Dircks, Executive Director for Operations informed the joint applicants that the proposed transfer of the facility operating license is precluded by Sections 103d and 104d of the Atomic Energy Act of 1954, as amended.

In light of this decision, I would very much appreciate the Commission's prompt response to the following questions:

- (1) What is the legal basis for the Commission's conclusion that this application is precluded by Sections 103d. and 104d. of the Atomic Energy Act?
- (2) What standard is employed by the Commission in determining whether the degree of foreign ownership, control, or domination of a corporation or other entity would be inimical to the common defense and security or pose an unreasonable risk to the public health and safety?
- (3) How does the Commission distinguish its decision in this case from earlier Commission decisions in In the Matter of General Electric Company and Southwest Atomic Energy Associates and in the General Atomic Company case?
- (4) Is there a compelling public interest, such as preservation of the sole domestic source of certain medical radioisotopes, that would be served by allowing this and other similar license transfers? If so, what legislative changes to Sections 103d. and 104d. would you think to be necessary to accommodate the public interest in such license transfers? Would the Commission support these proposed legislative changes?

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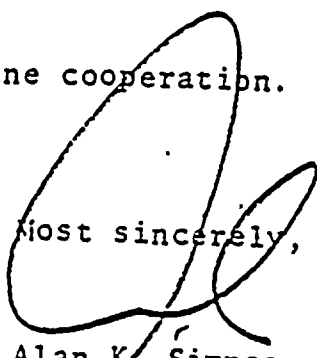


Honorable Nunzio J. Palladino  
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Thank you for your usual fine cooperation. I look forward to your response.

With best regards,

Most sincerely,

  
Alan K. Simpson  
United States Senator

AKS/jch