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COMMITTEE ON SCIENCE AND TECHNOLOGY
U.S. HOUSE OF REPRESENTATIVES
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February 11, 1982

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17.

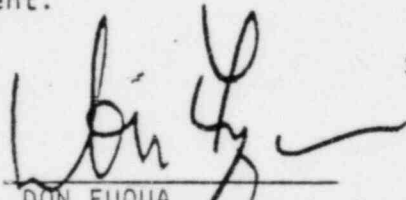
Hon. Nunzio J. Palladino
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Nuclear Regulatory Commission
Washington, D. C. 20555

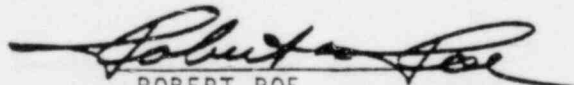
Dear Mr. Chairman:

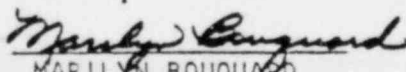
We note that the Commission has received a request from the Secretary of Energy to begin preliminary siting work relative to the Clinch River Breeder Reactor Project. This facility is a vital element of the government's research and development program relating to the liquid metal fast breeder reactor.

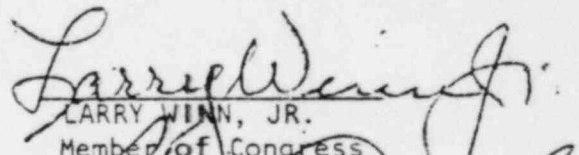
As you may know, the Conferees' language (attached) on the Omnibus Budget Reconciliation Act of 1982 (P.L. 97-35) states that Congress wants this project to "be constructed in a timely and expeditious manner". The Floor statements in both Houses, which are also attached, further support this conclusion. We would, therefore, confirm that the Secretary's request is consistent with Congressional intent.

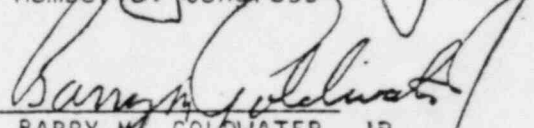
Sincerely,

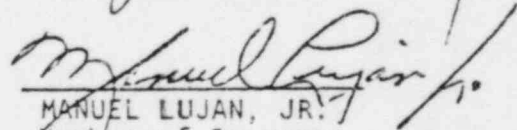

DON FUQUA
Member of Congress


ROBERT ROE
Member of Congress

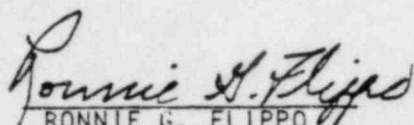

MARILYN BOUQUARD
Member of Congress

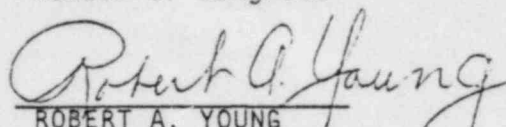

LARRY WINN, JR.
Member of Congress

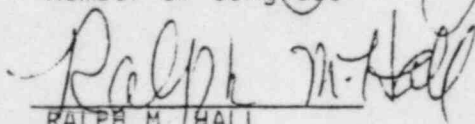

BARRY M. GOLDWATER, JR.
Member of Congress

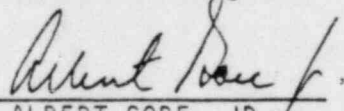

MANUEL LUJAN, JR.
Member of Congress

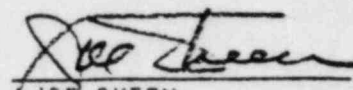
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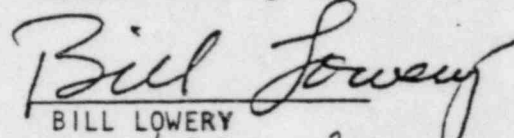

RONNIE G. FLIPPO
Member of Congress

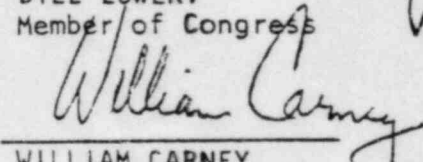

ROBERT A. YOUNG
Member of Congress



RALPH M. HALL
Member of Congress

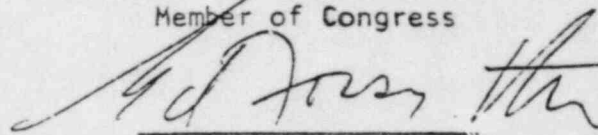

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ED FORSYTHE
Member of Congress

97TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
No. 97-208

NO. 2

OMNIBUS BUDGET RECONCILIATION ACT
OF 1981

CONFERENCE REPORT

[To accompany H.R. 3982]



JULY 29, 1981.—Ordered to be printed

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WASHINGTON: 1981

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CONFERENCE REPORT

827

NUCLEAR FISSION R&D

Operating expenses

Conventional reactor systems.—The agreement provided \$38M for high temperature reactor technology for establishment of a HTGR lead plant project including the development of materials and components as described in the House report, and for continued international cooperation.

Breeder reactor systems.—The Clinch River Breeder Reactor project is funded at \$228 million. This technology demonstration plant, as set forth in the existing project arrangements, is a key step in the development of the Liquid Metal Fast Breeder Reactor. The conferees intend that the plant should be constructed in a timely and expeditious manner, so that a decision on the commercialization and deployment of breeder reactors can be made on the basis of information obtained in the operation of the plant. The plant should therefore be constructed on the basis of that objective, and not on the basis of providing needed power in the specific region of the Clinch River site.

Water-cooled breeder.—Funding for the Water-Cooled Breeder Reactor program is reduced by \$13M and further the DOE is directed to remove the LWBR core in fiscal year 1983 to assure an orderly termination of the Shippingport subprogram by the end of that fiscal year so that the private sector can make a decision on commercialization of this approach.

Fuel cycle R&D.—In view of the need for LWR reprocessing technology, \$8M was added to the request to carry out the program outlined in the House report. The breeder fuel cycle program is funded at the request level; \$4M is provided for the thorium fuel recycle program outlined in the House report. However, the Conferees suggested that the Department provide an analysis of reprocessing R&D and technology demonstration needs for all reactor types with appropriate priorities for each and a program plan. This report should be submitted to the House Committee on Science and Technology and the Senate Committee on Energy and Natural Resources by January 31, 1982. The Conferees believe that the Barnwell facility offers a unique opportunity to conduct RD&D in irradiated fuel reprocessing and recommend \$10M for continued R&D of which no more than \$6M shall be utilized for R&D and testing at Barnwell.

Three Mile Island.—None of the funds authorized for research and development activities under this Act may be used for releasing any radioactively contaminated water from the Three Mile Island nuclear station reactor no. 2 into the Susquehanna River or its watershed.

Capital Equipment.—A total of \$53.3M is authorized which includes \$2M for the HTGR subprogram.

Construction.—Additional authorization of \$17.8M above the Administration fiscal year 1982 request is provided for Project 78-6-F. This additional amount was the level requested in the fiscal year 1981 supplemental request. The action of the Conference is to offset the additional authority request by amounts deferred into fiscal year 1982 for the Energy Supply R&D PACE (Plant and Capital Equipment) account.

shared repowering project expedite release of the authorized for appropriate department is directed to on solar hybrid electric r, no funds are authorized project unless the fossil fuel costs during the Senate Conferees are Departmental project these should be completed Committees of Congress

the Wind Energy Systems of Public Law 96- the need for the financialities called for in the the continuation of a ent that cost-sharing of of the two contractors fabrication and install- ch contractor. The De- of activity on vertical ology base for the pro-

to terminate the Fed- onversion program, de- 0. The OTEC program uthorization of \$25M in- and \$700,000 in capital f Phase II design activ- unds are not available EC authorization is not ed in Public Law 96- lot plant Program Op- and as many proposals retains the non-OTEC EC-1 to the State of ating the Seacoast Test

included for the Raft eothermal demonstra-

new budget authority thermal demonstration to the project in fiscal unds deferred in fiscal

July 31, 1981

CONGRESSIONAL RECORD - HOUSE

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The conferees have endorsed the administration's budget request providing modest real growth in such DOE programs as basic energy sciences, university research support, high energy and nuclear physics, and life science and nuclear medicine applications. The authorization of these programs contains funding for the operation and construction of some of the world's best research facilities.

I wish to point out that the conferees adopted the Senate authorization figure of \$21 million for project 78-10-b, Intersecting Storage Accelerator, (ISABELLE) at Brookhaven National Laboratory. This additional project authorization will meet the administration's request for fiscal year 1982 budget authority of \$21 million.

Although I strongly support the high energy physics program for construction of advanced research facilities, I am personally concerned about continuing as yet unresolved difficulties associated with the fabrication of the superconducting magnets for the ISABELLE facility. Thus, I expect the Department to continue its thorough evaluation of the technical and management situation for ISABELLE in order to resolve the difficulties during the next several months and to advise the Committee on Science and Technology on actions taken and future plans.

After a review of the project status and revised costs during fiscal year 1982, the Committee on Science and Technology will consider further authorization for ISABELLE as part of the fiscal year 1983 authorization legislation required for prior year civilian R. & D. programs.

NUCLEAR FISSION

The Conferees authorized the Nuclear Fission R. & D. programs at just \$4 million below the Reagan request and provided for a committee initiative in the high temperature gas-cooled reactor (HTGR) program. The conference report calls for redirection in reprocessing R. & D. to light water reactors, provides a final year of funding for the Barnwell facility and provides for a strong program across the nuclear fuel cycle. Significant reductions were called for in the water cooled breeder program, which is to be brought to an orderly termination, and in Civilian Waste Management where the conferees saw the need for a more focused program. In other fission programs, funds are provided for the West Valley Demonstration Project and certain waste management activities.

MAGNETIC FUSION

The conference report provides \$473,500,000 in new budget authority for the magnetic fusion program in addition to \$15 million of fiscal year 1981 construction deferrals. The conferees emphasized the importance of moving forward with the Center for Fusion Engineering which was provided an additional \$5 million. Additional funds were also provided for the Fusion Materials Test Facility (formerly FMIT)

and the ISX-C experiment which were not included in the President's request.

ELECTRIC ENERGY SYSTEMS AND ENERGY STORAGE

Electric energy systems and energy storage systems programs were funded at levels to support responsible DOE programs while \$2 million was provided to sustain continuing Federal involvement in small-scale hydropower R. & D.

Mr. JONES of Oklahoma. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mrs. BOUQUARD).

(Mrs. BOUQUARD asked and was given permission to revise and extend her remarks.)

Mrs. BOUQUARD. Mr. Speaker, I am very pleased that this conference report contains the first Department of Energy authorization bill since Public Law 95-238 which contained the fiscal year 1978 authorization. I have had some concerns about the implementation of the reconciliation process, but the fact that it forced us to a speedy agreement on the DOE bill is a definite plus for the process. I wish to congratulate Chairman JONES, Chairman FUQUA, and my fellow House conferees on the R. & D. bill as well as Senate majority and minority conferees for lending such positive support to the conference process. I also appreciate the cooperation of Chairman UDALL and DINGELL in working out matters of joint jurisdiction in such an amicable fashion with our Science Committee.

Mr. Speaker, the statement of managers language accompanying the bill speaks for itself and the tables contained with the report language provide detailed direction to the Department of Energy. From that perspective, I shall confine my remarks to highlighting areas of particular interest to members of the Energy Research and Production Subcommittee which I chair and some other specific programmatic items which are of particular interest to me.

I do have some reservations about the adoption of out year authorization caps for fiscal years 1983 and 1984 if they are to be used as a disincentive to obtaining authorization bills in the Congress for those fiscal years. I share Chairman FUQUA's and Chairman UDALL's concerns that the area of commercial waste management which is largely a civilian waste management R. & D. program under the sole jurisdiction of the Science Committee and a remedial action program with no R. & D. component which is of primary interest to the Interior Committee may pose a significant problem in terms of funding priorities. The conferees recognize that the West Valley demonstration project which is also an element of this program will be requiring significant outyear funding and this combined with significant growth in the technology demonstration phase of the R. & D. program and an

enhanced remedial action activity cannot all be accommodated within a modest cap which only includes inflationary projections.

In terms of my primary interest in the nuclear area, I hope the passage of this conference report coupled with the recent vote on the appropriations bill will put the issue of the Clinch River reactor to rest. The conferees' intent is clear on this project, that the DOE should move ahead with all deliberate speed and I trust the administration will obtain the cooperation of other agencies in seeing that construction will go ahead at a significant pace.

There are several points of clarification that I would like to make with regard to the conferees language on the Clinch River breeder reactor. As the primary author of this particular language, I would like to note that the words were chosen very carefully to convey certain meanings intended by the conferees.

The words "as set forth in the existing project arrangements" reflect the intention of the conferees to affirm the existing project authorization, objectives, and major design concepts and parameters which are intended to form the basis for licensing, construction, and operation of the facility at the existing Clinch River site.

The word "key" in the same first sentence was intended to affirm that this technology demonstration-scale facility is of basic importance to the national program for the development of liquid metal fast breeder reactors, even though it is not a commercial demonstration. The conferees' choice of the words "timely" and "expedient" were purposely chosen with the intent that licensing, construction, and other related project activities be undertaken promptly and with as little delay as discretion will allow. In the same sentence the phrase "so that a decision on commercialization and deployment of breeder reactors can be made on the basis of information obtained in the operation of the plant" in conjunction with the words "timely" and "expedient" means that the effect of unrecoverable delays resulting from the 1977 decision to stop the project should be minimized and that to the maximum extent possible the overall liquid metal fast breeder reactor program should proceed in accordance with the pre-April 1977 project schedule.

The next sentence, "the plant should therefore be constructed on the basis of that objective, and not on the basis of providing needed power in a specific region of the Clinch River site", is simply intended to reaffirm that all activities associated with the construction of the facility including the design, licensing, construction, and operation be undertaken with the understanding that the objective in building this plant is to provide information and experience in a demonstra-

tion scale. All other benefits are incidental including the provision of electric energy to the region surrounding the Clinch River facility.

Before turning to the specifics of my subcommittee's programs, let me observe that I am pleased with the balance struck in conference for solar and conservation R. & D. programs. Solar R. & D. is \$110 million above the Reagan request and I do not agree with all the specific priorities, but I do feel that this program represents a much more balanced approach to the Federal role in solar energy than what the administration requested. In conservation R. & D. there has also been a very significant add-on roughly doubling the Reagan request. I am pleased that the key industrial and transportation R. & D. programs were given new life by the conference. It is also worth noting that these add-ons are generally supported by the Appropriations Committee in the House. Finally, in the programs outside our subcommittee I should note that the conference supports the request for the high temperature materials lab at Oak Ridge in the basic energy sciences budget. The initiation of this facility to house a materials "center-of-excellence" has already drawn significant industrial support.

In the nuclear programs the conference agreement allows for a strong nuclear fission R. & D. program while supporting major committee initiatives with respect to the high temperature gas-cooled reactor (HTGR) and the Barnwell nuclear fuels plant. The committee was convinced after careful study that the DOE TMI R. & D. program was well conceived and constituted a proper Government role. The conference did provide additional funds for light water reactor reprocessing R. & D. while sustaining the Reagan request in other fuel cycle programs.

I should note that the major reductions for nuclear fission in the conference agreement are in civilian waste management and the water-cooled breeder reactor program. The conferees agreed with our committee that the civilian waste management program is not satisfactorily focused to support the test and evaluation facility which is our committee priority. As for the water-cooled breeder there is general agreement that the program should be brought to an orderly termination to encourage the private sector to make a decision with respect to commercializing this concept.

In magnetic fusion the conference agreement provides for an enhanced program above the Reagan request principally to support a broadened activity for the Center for Fusion Engineering (CFE) and to sustain vital R. & D. on the Mike McCormack Fusion Materials Test Facility. In the case of the CFE it is worth noting that this entity must be organized well in advance of any DOE decision with respect to the next large machine, the

so-called fusion engineering device (FED). I hope that the CFE can serve as a core group for a widening industrial involvement in this decade. The conference agreement also supports funding for the impurities study ISX-C experiment at Oak Ridge which is vital to technology for a fusion power reactor.

In electric energy systems and energy storage systems, the conference agreement maintains a meaningful Federal role in these programs where the United States has unfortunately lost international preeminence within the past decade. I hope that the administration recognizes that these are areas where we have overwhelming evidence industry simply will not pick up the ball.

Finally, the conference agreement provides \$1 million to retain Federal activity in low-head hydro R. & D. because of the great potential of this distributed resource.

Mr. Speaker, I support the conference agreement under title X because it provides a reasonable balance for energy R. & D. programs and I hope the Office of Management and Budget will recognize that the conferees are serious about continuing these vital programs. Any deliberate delay in committing funds in these areas where the Congress has spoken so clearly will have to be construed as a violation of the intent of the Budget Impoundment and Control Act and I trust the appropriate committees will act accordingly.

Mr. LATTI. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas (Mr. WINN).

(Mr. WINN asked and was given permission to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I rise in strong support of the conference report for the omnibus reconciliation bill, H.R. 3982. All of my colleagues are to be congratulated on the amazing legislative feat they have performed in putting this reconciliation budget package together. Without the wholehearted cooperation of Chairman JONES, Chairman DOMENICI, Representative LATTI, and Senator HOLLINGS, in addition to the score of conferees, this conference report could not have been done as quickly as it has. Starting with our first subconference meeting on July 15, the Members and staff have worked diligently to fashion this compromise agreement in less than 2 weeks. By comparison, the conference on the Energy Security Act required 7 months to complete its actions.

This bill represents a good beginning toward our goal of a balanced budget in 1984. But I warn my colleagues that we cannot let up on our objective. Our new-found consensus, that the Federal Government's budget must be brought under control, cannot be an agreement just for fiscal year 1982. We must continue to work diligently in fiscal year 1983 and fiscal year 1984 to maintain

this wise policy. In fact, we may be called upon to make even more and deeper cuts in those 2 years, below our present projections. This concern for even more diligent efforts in these out years represents the reason why our four Republican members of the Science and Technology Committee did not sign the subconference report on the Department of Energy.

This year, the overriding and primary issue for Mr. GOLDWATER, Mr. FISH, Mr. LUJAN, and myself has been maintaining the proposed level of spending from the administration. In March, all 17 Republican members of the Science and Technology Committee signed a letter agreeing that this was our most important objective. By the time the committee had finished its budget work on the Department of Energy, the entire committee was in agreement with this goal, and we held our spending levels below those requested by the administration. Both the committee bill to authorize DOE and the Winn substitute for the DOE authorizations were below the Reagan administration requests.

However, when the subconference had finished its work, the majority of conferees had accepted a Senate offer to provide for outyear authorizations in fiscal years 1983 and 1984. Included in this offer was an agreement to exceed the Reagan administration's projected budgets for the Department of Energy by \$600 to \$700 million in both fiscal years 1983 and 1984. As strong supporters of the President's economic recovery plan we cannot support this action. With these outyear authorizations in place, we have no assurance that we could pass further annual authorization bills in those fiscal years to reduce these outyear authorization ceilings. We feel that this would be giving the Appropriations Committee no guidance, and essentially a free hand in funding DOE programs. It also undermines and reverses all of the work that we have done this year to try to accomplish the goal of spending only at the Reagan-requested levels.

I want to make clear that I have no quarrel with the conference agreement for fiscal year 1982. It represents a fine compromise on the Department of Energy budget. I want to commend Chairman FURQUA for his strong efforts in behalf of the subconference, and to congratulate him for reaching this compromise for fiscal year 1982. Where the conferees decided to take new policy directions in fiscal year 1982 for research and development, they simultaneously sought out reductions in other areas where priorities were less. The result is that we exceeded the requested energy research and development budget by only 2 percent.

Finally, I wish to warn my fellow colleagues of what may appear to be savings, but represents inflexible accounting principles. As I said at the time of the passage of the Winn sub-

our Nation with insurance against the economic dislocations, protection against international embargoes, and a source of fuel for military use in the event of wartime mobilization.

The strategic petroleum reserve was created by the Energy Policy and Conservation Act, Public Law 94-163, and signed into law on December 22, 1975. Motivated by concern for national security, the objective of the strategic petroleum reserve is to reduce the U.S. vulnerability to severe interruptions of petroleum supplies through the acquisition and storage of up to 1 billion barrels of petroleum.

Once again, in the context of the Omnibus Reconciliation Act of 1981, the Congress expresses its concern that the Nation establish and maintain an adequate supply of stored oil to minimize the adverse effects of any serious interruption in petroleum supplies.

The conference agreement creates an off budget funding mechanism for the Secretary of Energy with an authorization of \$3.9 billion for fiscal year 1982, for oil acquisition, transportation, injection, and expenses associated with drawdown in the reserve in response to an energy emergency.

In addition, on budget authorizations are provided to cover the cost of construction, operation—including the drawdown system—maintenance, program direction, and administration in the amounts of \$260 million for fiscal year 1982, \$366 million for fiscal year 1983, and \$364 million for fiscal year 1984.

The initial storage target was 500 million barrels by 1982. The Congress subsequently approved the implementation of a Government reserve of 750 million barrels with congressional approval on the timing and method for the fourth 250-million barrel increment being deferred.

Consistent with these earlier policies the conference agreement requires the President to seek a fill rate for the reserve of at least 300,000 barrels per day. However, because the ultimate size under present policy was approved during a period when U.S. import of oil was substantially greater than it is at present, the conference agreement also requires the Department of Energy to reevaluate the optimal ultimate size of the reserve in a report to the Congress.

In summary, the conference agreement achieves savings of \$6,509 million for fiscal year 1982; \$5,153 million for fiscal year 1983; and \$4,607 million for fiscal year 1984 for programs within the jurisdiction of the Committee on Energy and Natural Resources.

Mr. President, throughout this process it has been my judgment that it would be possible to ultimately fashion a budget package changes that would achieve the goals and objectives of President Reagan's program for economic recovery, although not necessarily an identical package. This has proven to be the case. Some of the required changes have been painful and we therefore have attempted to assure equity in the distribution of consequences of the necessary change.

Throughout the reconciliation process our goal has been to direct Federal energy and natural resource programs to release the creativity and individual initiative of the American people to sustain economic growth.

Mr. DOMENICI. Mr. President, I would like to ask the distinguished chairman of the Committee on Energy and Natural Resources for some clarification in the intent of the conference committees actions with regard to the Clinch River Breeder Reactor. Am I correct that the Statement of Managers affirms the need for and timing of the project, and contemplates that construction be undertaken as expeditiously as possible?

Mr. McCLURE. The Senator is correct.

Mr. DOMENICI. Am I correct that the Statement of Managers reflects the intention to affirm the existing project authorization including location of the project at the existing Clinch River site? And am I also correct that the Statement of Managers affirms the existing project arrangements and objectives which were incorporated into the existing project authorization?

Mr. McCLURE. The Senator is correct on both points.

Mr. DOMENICI. Am I correct that the project will be judged on the basis of its ability to meet the existing informational objectives and not on the basis of providing needed power?

Mr. McCLURE. You are correct.

Mr. DOMENICI. Am I correct that the intent of the conferees is to minimize the effect of unrecoverable delays resulting from the 1977 decision to stop the project, and to that end, affirms the existing project arrangements and objectives, and to the maximum extent possible, the pre-April 1977 project schedule?

Mr. McCLURE. Let me say to my colleague from New Mexico that he is correct on this point also.

Mr. DOMENICI. Mr. President, I ask the distinguished junior Senator from Washington (Mr. GORTON) if he is ready. I yield to the Senator from Washington.

AGENDA FOR THE SENATE FOR THE REMAINDER OF THIS WEEK AND NEXT WEEK

Mr. BAKER. Mr. President, before the Senator from Washington begins, would he allow me to intervene? I ask unanimous consent that I may proceed in colloquy with the distinguished minority leader without any time being charged on the reconciliation conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Washington.

I have asked the distinguished majority leader if he would at this time tell us what the business of the Senate will be for the rest of the day, what the program will be for the rest of the week, and what the program will be for the early part of next week if it is necessary to return.

Mr. BAKER. Mr. President, I thank the minority leader. I must say the situation is not even clear now at 4:40 in the afternoon. I had hoped to make an an-

nouncement earlier. This is the best reading I can provide at this time.

The conferees on the tax bill are in conference at this moment. As soon as we finish the reconciliation conference report this afternoon, it would be my intention to deal with routine matters on the calendars as they may be available by unanimous consent.

After we have disposed of those matters, it would be my intention to ask the Senate to recess over until 8 p.m. By that time it is hoped the conferees on the tax bill can give us a good reading on whether or not they will have an early conference report to be filed, perhaps on tomorrow. If that is likely, and if the mechanical requirements of producing that report for submission can be accomplished, I will consider asking the Senate to convene at a late hour on Saturday, perhaps 6 o'clock, to consider that conference report at that time.

I reiterate that is not clear at this point. But if it is, then it is, perhaps, possible we could finish the conference report on the tax bill by tomorrow night. I think it unlikely, in all candor, if we cannot, then it is my intention to ask us to come back next week I hope just for 1 day, on Tuesday or Wednesday—Wednesday seems the more favored day based on the conversations I have had with Members on both sides so far.

In recapitulation, Mr. President, we will finish the reconciliation conference report, we will attend to housekeeping details, unanimous-consent items on both calendars as they are available this afternoon; we will recess at that point until 8 o'clock to receive a progress report from the conferees on the tax bill. At that time, shortly after 8 o'clock, I intend to have a further announcement and be able to state whether it will be necessary to be in on Saturday, and to choose what day, if it is necessary, to complete the conference report next week.

Mr. RIEGLE. Mr. President, will the Senator yield for a question?

Mr. BAKER. Yes, I yield.

Mr. RIEGLE. Is it the intention of the Senator if we go through and over to next week and come in either Tuesday or Wednesday, would it be the thought that the only matter to arise would be the vote on the tax conference report?

Mr. BAKER. Yes.

Mr. RIEGLE. There would be no other items?

Mr. BAKER. I can assure Senators that based on the remarks I made yesterday this is the only business of any consequence we are going to transact, meaning the only business except by unanimous-consent items.

Mr. RIEGLE. I thank the Senator.

Mr. JACKSON. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

Mr. JACKSON. Under the rules would the Senate take up the conference report first, the conference report on the tax bill?

Mr. BAKER. Mr. President, I thank the Senator for inquiring. I was under the impression that since we asked for a

DOE Site Clinch

SECRETARIAT RECORD COPY

FEB 11 1982

The Honorable Dan Quayle
United States Senate
Washington, D.C. 20510

Dear Senator Quayle:

Thank you for your letter dated February 5, 1982, concerning the Department of Energy's (DOE) request for an exemption from certain Commission regulations for the Clinch River Breeder Reactor.

On December 24, 1981, the Commission issued the enclosed order outlining the procedures it will be following for considering the merits of DOE's request for an exemption to permit them to undertake certain site preparation activities prior to the issuance of a construction permit or limited work authorization by the Nuclear Regulatory Commission. The schedule established would permit a Commission decision by early March on this request.

The Commission appreciates receiving your comments with respect to this request and will include them as part of the record of the proceeding.

Sincerely,

Carlton Kammerer

Carlton Kammerer, Director
Office of Congressional Affairs

- Enclosure:
As stated

~~8202180199~~
PDR/LPDR

DAN QUAYLE
INDIANA

254 RUSSELL SENATE OFFICE BUILDING
(202) 224-5623

INDIANAPOLIS OFFICE:
ROOM 447, 46 EAST OHIO STREET
INDIANAPOLIS, INDIANA 46204
(317) 269-5555

Dr. H. G. Church

United States Senate

WASHINGTON, D.C. 20510

COMMITTEES:
ARMED SERVICES
BUDGET
LABOR AND HUMAN RESOURCES

February 5, 1982

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

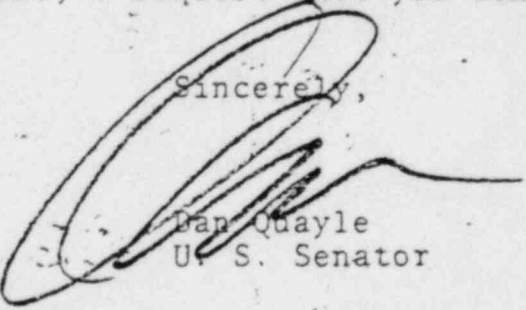
Dear Mr. Palladino:

Late last year the Department of Energy asked the Nuclear Regulatory Commission for exemptions from established regulatory procedures for the purpose of allowing preliminary site work on the Clinch River breeder reactor project. Such work would be allowed prior to completion of the project's environmental impact statement. I do not believe such exemptions fulfill Congressional intent in authorizing the project, nor do I believe they would benefit the entire breeder reactor program.

The legislative history of the Clinch River project clearly shows that a major goal of this project is to demonstrate the licensability of the liquid metal fast breeder reactor. Any deviation from licensing procedures established by NRC would obviate this purpose and deprive the nuclear industry of the clear precedents needed to proceed with additional LMFBR plants.

I believe the best way to assure a stable future for the nation's nuclear industry, which represents a vital part of our present and future energy supply structure, is to stabilize and clarify the regulatory environment. Exempting demonstration plants from normal regulatory requirements can only delay progress toward meeting this goal. It will also retard the progress of proving new technology. For these reasons, therefore, I request that you deny DOE's request for exemptions.

Sincerely,


Dan Quayle
U. S. Senator

DQ:td

8202180200
PDR/LPDR
Reply 2/11/82

DOE Staff *Clinch*

19.

SECRETARIAT RECORD COPY

FEB 11 1982

The Honorable Alan Dixon
United States Senate
Washington, D.C. 20510

Dear Senator Dixon:

Thank you for your letter dated January 27, 1982, on behalf of your constituent, Ernest Cheslow, concerning the Department of Energy's (DOE) request for an exemption from certain Commission regulations for the Clinch River Breeder Reactor.

On December 24, 1981, the Commission issued the enclosed order outlining the procedures it will be following for considering the merits of DOE's request for an exemption to permit them to undertake certain site preparation activities prior to the issuance of a construction permit or limited work authorization by the Nuclear Regulatory Commission. The schedule established would permit a Commission decision by early March on this request.

The Commission appreciates receiving Mr. Cheslow's comments with respect to this request and will include them as part of the record of the proceeding.

Sincerely,

Carlton Kammerer

Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

8202180125
PAR/LPAR

TIDESEA Church

January 27, 1982

United States Senate

RE: Ernest Cheslow
1154 Carol Lane
Glencoe, Illinois 60022

Respectfully referred to:

Congressional Liaison Office
Nuclear Regulatory Commission
Washington, D.C. 20555

Because of the desire of this office to be responsive to all inquiries and communications, your consideration of the attached is requested. Your findings and views, in duplicate form, along with return of the enclosure, will be appreciated by

Alan J. Dixon
.....
U.S.S.

Form #2

mr/ajh

~~8202180179~~
POR LPOR
Reply 2/11/82

20-18

ERNEST CHESLOW
1154 CAROL LANE
GLENCOE, ILLINOIS 60022
January 12, 1982

Secretary of the Commission
Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Docket #50-537
exemption request
under 10 CFR 50.12

Gentlemen:

When considering the proposed exemption of the Clinch River Reactor from standard licensing procedures, please take into account that such procedures were adopted by the NRC and its predecessor to assure the public that at least minimum safety standards have been complied with before a nuclear power plant can be built and operated. Many of us believe that those safety standards are too lax, but at least they are there.

To exempt an installation from standard licensing procedures can be justified only:

1. In the event of the direst national emergency, or
2. If the installation is recognized as so safe that the usual precautions are unnecessary.

Neither of these conditions exists with respect to the Clinch River installation.

First, there is no emergency of any kind with respect to the operation of a breeder reactor. When Clinch River was first planned, it was contemplated that hundreds of water-cooled reactors would be built and that uranium would be in short supply. What has happened since then is that new reactors are not being built and that there is more than enough uranium to meet foreseeable needs.

Secondly, and even more importantly, the safety record of liquid metal fast breeder reactors in this country has been abysmal. One experimental breeder (EBR-II) and one demonstration commercial breeder (Enrico Fermi) have suffered meltdowns and come close to explosion. Surely this justifies - in fact, demands stronger precautions, rather than a relaxation.

If the people of Tennessee ever have reason to regret their present enthusiasm for the Clinch River installation, you would not want it on your consciences that the NRC did less than it could have done.

Sincerely,

CC: Sens. Howard Baker, Charles
Percy, Alan Dixon
Reps. John Porter, Toby
Koffett, Richard Ottinger,
Edward Markey
N.I.R.S.

8202180184

1025 Ad Clinch

20.

SECRETARIAT RECORD COPY

FEB 11 1982

The Honorable Jim Sasser
United States Senate
Washington, D.C. 20510

Dear Senator Sasser:

Thank you for your letter dated January 26, 1982, on behalf of your constituent, Ms. Kathleen Harkey, concerning the Department of Energy's (DOE) request for an exemption from certain Commission regulations for the Clinch River Breeder Reactor.

On December 24, 1981, the Commission issued the enclosed order outlining the procedures it will be following for considering the merits of DOE's request for an exemption to permit them to undertake certain site preparation activities prior to the issuance of a construction permit or limited work authorization by the Nuclear Regulatory Commission. The schedule established would permit a Commission decision by early March on this request.

The Commission appreciates receiving Ms. Harkey's comments with respect to this request and will include them as part of the record of the proceeding.

Sincerely,

Carlton Kammerer

Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

~~8202180191~~
POR/LPOR

ID 5194
Clinch

COMMITTEES:
APPROPRIATIONS
BUDGET
GOVERNMENTAL AFFAIRS
SELECT COMMITTEE ON
SMALL BUSINESS

United States Senate

WASHINGTON, D.C. 20510

January 26, 1982

Mr. William Dircks
Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Dircks:

Recently I was contacted by a constituent, Ms. Kathleen Harkey, regarding the granting of an exemption concerning the safety hearing process in the case of the Clinch River Breeder Reactor. A copy of that communication is enclosed.

Any comments or information that you may be able to provide would be very much appreciated.

Thank you for your time and attention.

Sincerely,

Jim Sasser
Jim Sasser
United States Senator

Enclosure

8202180194
PAR/LPOR

100-90-1

DATE

12-2-81

STAFF MEMBER

Fran

OFFICE

Nashville

CONSTITUENT OPINION

CONSTITUENT NAME AND ADDRESS

Ms. Kathleen Harkey

225 Craighead

Nashville, 37205

NRC
attn

TELEPHONE NUMBER: OFFICE () _____
HOME () _____

ISSUE: Clinch River Breeder Reactor

OPINION:

Ms. Harkey works for Channel 8. She is very concerned over the possibility of waiving the final safety inspection of the Breeder Reactor.

NRC consids granting
exemption to do
prelim site work
in advance of
safety and enviro
hearings

NRC directed staff to
review criteria
in regard applica
no rec. to com's made

-pub int.
-redress. in com
- ~~the~~ enviro impact
- forced of
alts.

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FEB 11 1982

The Honorable Paul Tsongas
United States Senate
Washington, D.C. 20510

Dear Senator Tsongas:

Thank you for your letter dated December 9, 1981, concerning the Department of Energy's (DOE) request for an exemption from certain Commission regulations for the Clinch River Breeder Reactor.

On December 24, 1981, the Commission issued the enclosed order outlining the procedures it will be following for considering the merits of DOE's request for an exemption to permit them to undertake certain site preparation activities prior to the issuance of a construction permit or limited work authorization by the Nuclear Regulatory Commission. The schedule established would permit a Commission decision by early March on this request.

The Commission appreciates receiving your comments with respect to this request and will include them as part of the record of the proceeding.

Sincerely,

Carlton Kammerer

Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

Identical letter sent to:

Sen. Gordon Humphrey
Sen. Dale Bumpers
Sen. Bill Bradley
Sen. Gary Hart

8202180TH
PDR/LPAR

DR 5 Clinch River
United States Senate

WASHINGTON, D.C. 20510

December 9, 1981

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

Dear Mr. Chairman:

It has come to our attention that the Department of Energy has asked the Nuclear Regulatory Commission for exemptions from established regulatory procedures to allow site work to begin on the Clinch River breeder reactor before hearings on the project's environmental impact are complete. We do not believe that it has ever been the intent of Congress to encourage such exemptions, nor do we believe that such exemptions are in the best interests of possible future commercial development of Liquid Metal Fast Breeder Reactors (LMFBRs).

The legislative and contractual history of the Clinch River project clearly state that one of the goals of this project is to demonstrate licensability of LMFBRs for commercial application. To exempt this project now would merely postpone this determination and cause extensive delay and increased cost of any LMFBR plant that might follow. The time to clearly demonstrate LMFBR licensability is now.

Public Law 91-273 authorized the Atomic Energy Commission (AEC) to enter into a cooperative arrangement with a reactor manufacturer and others for the development of a demonstration LMFBR -- the Clinch River project. The resulting contract, executed August 7, 1972 by the AEC, Tennessee Valley Authority, Commonwealth Edison Company, and Project Management Corporation, stated that one of the principal objectives of this project was:

"To help . . . verify certain key characteristics and capabilities of breeder power plants for operation on utility systems such as licensability and safety, operability, reliability, availability, maintainability, flexibility, and prospect for economy."

This desire to verify the licensability of LMFBRs was reaffirmed by Congress in 1974 in Public Law 93-438, which stated that the NRC should have licensing and related regulatory authority over demonstration LMFBRs when operated as part of an electric utility system or in any other manner for the purpose of demonstrating their suitability for commercial application.

SH 2170190
PDR/LPDR

12-9-81

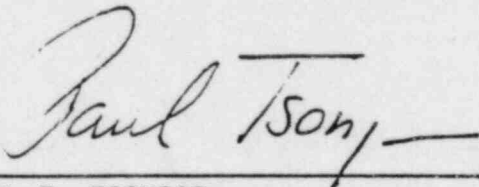
Congress has never since indicated any support for regulatory exemptions for this project. The Conference Report accompanying the Omnibus Budget Reconciliation Act of 1981, cited by DOE in its request to the NRC for regulatory exemptions, in fact states:

"The conferees intend that the plant should be constructed in a timely and expeditious manner, so that a decision on the commercialization and deployment of breeder reactors can be made on the basis of information obtained in the operation of the plant. The plant should therefore be constructed on the basis of that objective, and not on the basis of providing needed power in the specific region of the Clinch River site."

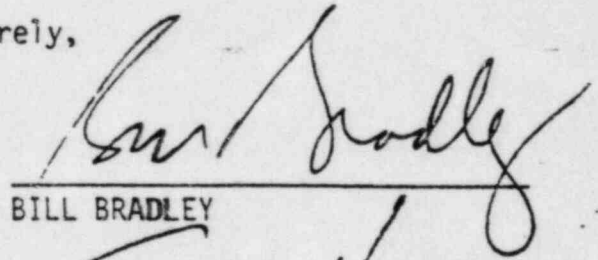
This report language is not a request for regulatory exemptions. To the contrary, it reaffirms the need to go through all steps of established regulatory procedure now to pave the way for possible future commercialization

We urge you to consider these points and deny DOE's request for exemptions. Thank you very much.

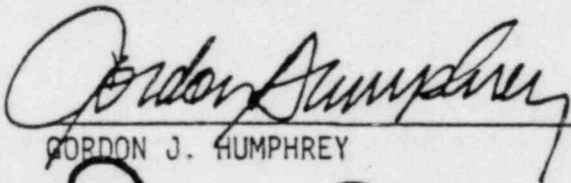
Sincerely,



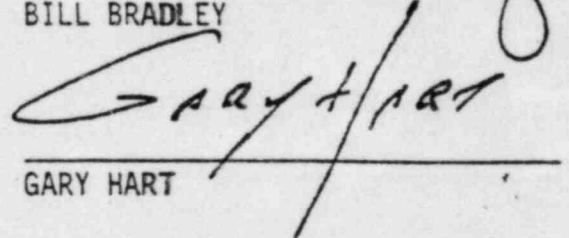
PAUL E. TSONGAS



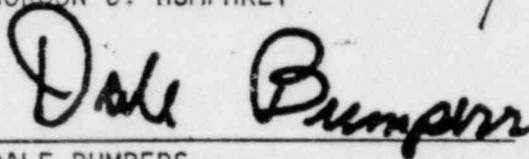
BILL BRADLEY



GORDON J. HUMPHREY



GARY HART



DALE BUMPERS

FEB 11 1982

The Honorable Morris Udall, Chairman
Subcommittee on Energy and the Environment
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter dated December 8, 1981, concerning the Department of Energy's (DOE) request for an exemption from certain Commission regulations for the Clinch River Breeder Reactor.

On December 24, 1981, the Commission issued the enclosed order outlining the procedures it will be following for considering the merits of DOE's request for an exemption to permit them to undertake certain site preparation activities prior to the issuance of a construction permit or limited work authorization by the Nuclear Regulatory Commission. The schedule established would permit a Commission decision by early March on this request.

The Commission appreciates receiving your recommendations and comments with respect to this request and will consider them as part of the record of the proceeding.

Sincerely,

Carlton Kammerer

Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

~~8202180187~~
PDR/LPOR

MORRIS K. UDALL, ARIZ., CHAIRMAN

PHILLIP BURTON, CALIF.
 ROBERT W. KASTENMEIER, WIS.
 ABRAHAM KAZEN, JR., TEX.
 JONATHAN S. BINGHAM, N.Y.
 JOHN P. SEIBERLING, OHIO
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 JIM SANTINI, NEV.
 JAMES WEAVER, OREG.
 GEORGE MILLER, CALIF.
 JAMES J. FLORIO, N.J.
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 JERRY M. PATTERSON, CALIF.
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 PAT WILLIAMS, MONT.
 DALE E. KILDEE, MICH.
 TONY COELHO, CALIF.
 BEVERLY S. BYRON, MD.
 RON DELUGO, V.I.
 SAMUEL GEIDENSON, CONN.

MANUEL LUJAN, JR., N. MEX.
 DON H. CLAUSEN, CALIF.
 DON YOUNG, ALASKA
 ROBERT J. LAGOMARSINO, CALIF.
 DAN MARRICOTT, UTAH
 RON WARLENEE, MONT.
 RICHARD S. CHENEY, WYO.
 CHARLES PASHAYAN, JR., CALIF.
 DOUGLAS K. BEREUTER, NEBR.
 DAVID O'B. MARTIN, N.Y.
 LARRY CRAIG, IDAHO
 WILLIAM M. HENDON, N.C.
 MARK BROWN, COLO.
 DAVID MICHAEL STATON, W. VA.
 DENNY SMITH, OREG.
 JAMES V. MANSER, UTAH

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
 U.S. HOUSE OF REPRESENTATIVES
 WASHINGTON, D.C. 20515

CHARLES CONKLIN
 STAFF DIRECTOR

STANLEY SCOVILLE
 ASSOCIATE STAFF DIRECTOR
 AND COUNSEL

LEE MC ELVAIN
 GENERAL COUNSEL

TIMOTHY W. GLIDDEN
 REPUBLICAN COUNSEL

December 8, 1981

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

Dear Mr. Chairman:

I have been informed that the Commission may vote tomorrow on a request by the Secretary of Energy that the Commission itself use existing authority under 10 CFR Part 50.12 to decide whether or not to allow site preparation work to begin for the Clinch River Breeder Reactor (CRBR). Because the decision will establish a precedent and tone for future NRC licensing actions regarding the breeder reactor program, I would hope the Commission will resist pressures to act with undue haste on this matter. As chairman of the Committee with primary jurisdiction in the House over the nuclear regulatory process, I am concerned about the implications of the Commission's actions (pursuant to the Secretary's request) on the siting and licensing of the CRBR.

Existing regulations (10 CFR Part 50.10) provide for a procedure whereby site preparation and excavation and certain other onsite activities could be undertaken prior to the issuance of a construction permit for the CRBR. The purpose of this regulatory procedure is to lessen the impact of the licensing process on an applicant's construction schedule and expedite completion of the project. The Secretary has determined, however, that this orderly procedure is inadequate in the case of the CRBR. He has requested, therefore, that the Commission provide the extraordinary regulatory relief of granting an exemption (under 10 CFR Part 50.12) that would allow CRBR site preparation prior to and without fulfilling the requirements for issuance of a limited work authorization (LWA). To my knowledge, the Commission has not granted an exemption under 10 CFR Part 50.12 in a contested proceeding since the adoption of the LWA regulations in April 1974; a practice in keeping with the Commission policy of granting such exemptions sparingly and only in cases of undue hardship.

Prior to a final decision on the Secretary's request, I hope the Commission will consider fully the adequacy of established LWA procedures to allow a timely commencement of CRBR site

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 PDR/LPOR

12-8-7

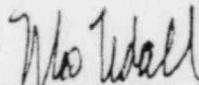
preparation while protecting the integrity of the licensing process and the rights of all parties to participate in the proceeding.

In addressing the Secretary's request that the Commission bypass the licensing board and decide itself on pre-LWA site work at Clinch River, consideration should be given to whether this is the most appropriate use of the Commissioners' time during a period when the Commission's resources are strained by the pressure to issue operating licenses for large numbers of reactors in the face of increasing indications of significant unresolved safety issues and major defects in quality assurance programs conducted during the construction process.

Finally, to the extent that Clinch River is intended as a demonstration of the commercialization potential of breeder reactors (including their ability to be licensed by NRC), it appears somewhat self-defeating to shortcut the normal licensing process at the first opportunity. In the event that the Commission grants the exemption sought by the Secretary, public confidence in the regulatory process as it applies to Clinch River and future breeders may suffer unnecessary and irreparable harm.

Thank you for your consideration of these views. I will watch your deliberations on this matter with great interest.

Sincerely,


MORRIS K. UDALL
Chairman

NEWS

from:

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS**Morris K. Udall, Chairman****U.S. House of Representatives, Washington, D.C. 20515**FOR RELEASE: December 9, 1981
AMCONTACT: Ken Burton
202-225-2844
Paul Parshley
202-225-8331UDALL TO NRC: AVOID HASTE ON CLINCH RIVER

Congressman Morris K. Udall, D-Arizona, has urged the Nuclear Regulatory Commission to "resist pressures to act with undue haste" on a request from the Secretary of Energy to begin site preparation work on the Clinch River Breeder Reactor (CRBR) in March, 1982.

Udall, chairman of the House Interior and Insular Affairs Committee, which has primary jurisdiction over the nuclear regulatory process, said the commission decision "will establish a precedent and tone for future NRC licensing actions regarding the breeder reactor program."

On November 30, 1981, DOE Secretary James Edwards asked the commission to take the extraordinary step of granting Clinch River an exemption from existing regulations that allow site work to begin prior to issuance of a construction permit, but after issuance of a limited work authorization (LWA). The exemption sought by Secretary Edwards would allow CRBR site work to begin before LWA environmental requirements are met.

"In the event that the commission grants the exemption sought by the Secretary, public confidence in the regulatory process as it applies to Clinch River and future breeders may suffer unnecessary and irreparable harm," Udall said.

Udall's comments were contained in a letter to NRC Chairman Nunzio Palladino. (A complete text is attached.)

IDS Clinch

50-537

23

SECRETARIAT RECORD COPY

FEB 11 1982

The Honorable Marilyn Bouquard
United States House of Representatives
Washington, D.C. 20515

Dear Congresswoman Bouquard:

Thank you for your letter dated December 15, 1981, concerning the Department of Energy's (DOE) request for an exemption from certain Commission regulations for the Clinch River Breeder Reactor.

On December 24, 1981, the Commission issued the enclosed order outlining the procedures it will be following for considering the merits of DOE's request for an exemption to permit them to undertake certain site preparation activities prior to the issuance of a construction permit or limited work authorization by the Nuclear Regulatory Commission. The schedule established would permit a Commission decision by early March on this request.

The Commission appreciates receiving your comments with respect to this request and will include them as part of the record of the proceeding.

Sincerely,

Carlton Kammerer

Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

Identical letter sent to:

~~Sen~~ Howard Baker
~~Rep~~ James Sasser
~~Sen~~ Rep. John Duncan

Dupe of 8202180127

MARILYN LLOYD BOUQUARD
3RD DISTRICT, TENNESSEE
COMMITTEES:
PUBLIC WORKS
AND TRANSPORTATION
SCIENCE AND TECHNOLOGY
SELECT COMMITTEE ON AGING

DOE Clinch

Congress of the United States
House of Representatives
Washington, D.C. 20515

2334 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-3271

253 JAY SOLOMON FEDERAL OFFICE BUILDING
CHATTANOOGA, TENNESSEE 37401
TELEPHONE: (615) 267-9108

1211 FEDERAL OFFICE BUILDING
OAK RIDGE, TENNESSEE 37830
TELEPHONE: (615) 576-1977

December 15, 1981

Honorable Nunzio J. Palladino
Chairman
Nuclear Regulatory Commission
Washington, D.C. 20505

Re: In Re. Department of Energy, et al.,
Clinch River Breeder
Reactor Plant - Docket No. 50-237

Dear Mr. Chairman:

We have been advised that the Nuclear Regulatory Commission will soon be meeting with interested parties to consider the above referenced subject. In addition to the specific request of the Department of Energy for authority to expedite site preparation activities for the Clinch River Breeder Reactor, the Commission must consider the concerns of local government jurisdictions which might be affected by the project.

On Tuesday, December 8, 1981, staff from our offices met with nine of the fourteen localities which had in 1976 sought to file as intervenors in DOE's application for a Limited Work Authorization for the CRBR project. Although these petitions were dismissed as untimely, the socio-economic impact of the project cited by these local governments was subsequently raised on their behalf by the State of Tennessee.

Based on our December 8 meeting, it is our clear impression that these local jurisdictions now strongly support the application to expedite site preparation activities for CRBR. They intend to communicate their support directly to the Nuclear Regulatory Commission. Though we cannot speak directly for these local governmental units, we expect that they will express their intention to withdraw from any intervenor proceedings, to request that any issues raised on their behalf be withdrawn, and to support the DOE request for permission to expedite site preparation activities.

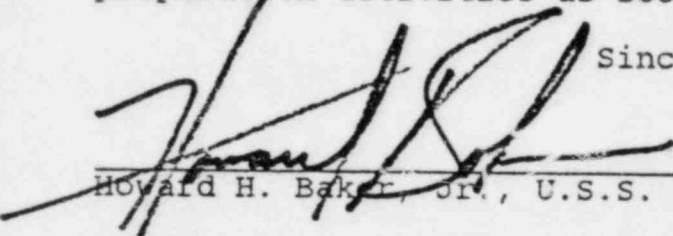
Because in most instances, the communication to the NRC from the local jurisdictions will require the concurrence of city councils or other government bodies, it is impossible for many of them to complete formal action in time for the December 16th meeting of the Commission. Nevertheless, we

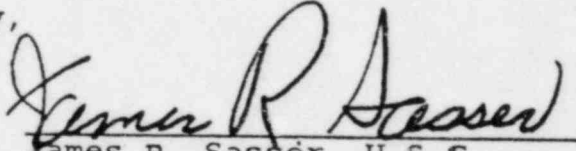
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PAR/LPDR


consider it appropriate to convey to the Commission at this time, for inclusion in the Commission's deliberations, the strong local sentiment in support of the CRBR project and DOE's request to the NRC.

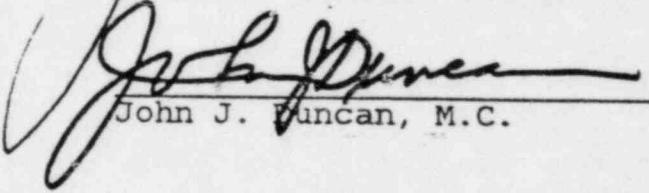
The support of the localities attending the December 8 meeting in Tennessee was unanimous, and we have every reason to expect that those jurisdictions unable to be represented at the meeting will also concur in the consensus to withdraw from intervenor proceedings, and to support the request of the Department of Energy to commence with Clinch River site preparation activities as soon as possible.

Sincerely,


Howard H. Baker, Jr., U.S.S.


James R. Sasser, U.S.S.


Marilyn L. Bouquard, M.C.


John J. Duncan, M.C.

IDE5Clunch

SECRETARIAT RECORD COPY

24

FEB 11 1982

The Honorable Mark Hatfield, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for your letter dated December 15, 1981, concerning the Department of Energy's (DOE) request for an exemption from certain Commission regulations for the Clinch River Breeder Reactor.

On December 24, 1981, the Commission issued the enclosed order outlining the procedures it will be following for considering the merits of DOE's request for an exemption to permit them to undertake certain site preparation activities prior to the issuance of a construction permit or limited work authorization by the Nuclear Regulatory Commission. The schedule established would permit a Commission decision by early March on this request.

The Commission appreciates receiving your comments with respect to this request and will consider them as part of the record of the proceeding.

Sincerely,

Carlton Kammerer
Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

Identical Letter sent to:

Senator William Cohen

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POR/LPOR

DR5 Clinch

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United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

December 15, 1981

J. KEITH KENNEDY, STAFF DIRECTOR

THOMAS L. VAN DER VOORT, MINORITY STAFF DIRECTOR

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

Dear Mr. Chairman:

It has come to our attention that the Department of Energy has asked the Nuclear Regulatory Commission (NRC) for authority to begin preliminary site preparation activities for the Clinch River Breeder Reactor (CRBR) in Tennessee by March of 1982. If the NRC were to authorize site preparation activities at this time, it would be compelled to grant exemptions from established regulatory procedures for the CRBR. We have serious doubts about the wisdom of granting such exemptions.

The Clinch River Breeder Reactor was authorized in 1970 by P.L. 91-273 as a demonstration project that would lead to the early commercialization of breeder reactors. Since its inception, NRC licensing of the CRBR has been an integral part of the project.

The contract signed by the Atomic Energy Commission, the Tennessee Valley Authority, Commonwealth Edison Company, and the Project Management Corporation stated that one of the principal objectives of this project was "to help ... verify certain key characteristics and capabilities of breeder power plants for operation on utility systems such as licensability and safety, operability, reliability, availability, maintainability, flexibility, and prospect for economy."

Congress further required licensing for Liquid Metal Fast Breeder Reactors (LMFBR) by enacting P.L. 93-438, which stipulates that any breeder demonstration plant that will provide electricity to a utility must be licensed.

Throughout the annual debates over the CRBR, Congress has never expressed support for regulatory exemptions for the project. To the contrary, the Omnibus Budget Reconciliation Act conference agreement reaffirms the need for proceeding with the established regulatory course for the CRBR in order to make future commercialization possible. The Conference report states, "The conferees intend that the plant should be constructed in a timely and expeditious manner, so that a decision on the commercialization and deployment of breeder reactors can be made on the basis of information obtained in the operation of the plant."

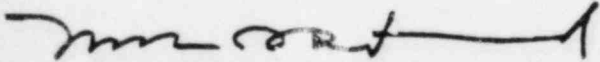
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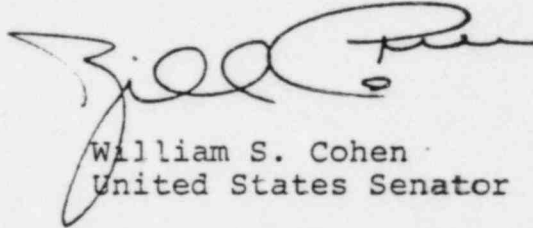
We do not agree with Secretary Edward's assertions that the CRBR "... must be expeditiously constructed to meet the objectives of the CRBR program." To the contrary, we believe it is in the best interests of future commercial development of LMFBRs for the CRBR to undergo the established regulatory procedures without exemption. Furthermore, we believe granting exemptions to the CRBR could seriously erode the public's confidence in the federal nuclear energy programs in general and breeder reactors programs in particular.

We hope you will consider these points during your review of the Department of Energy's request for exemption.

Sincerely,



Mark O. Hatfield
United States Senator



William S. Cohen
United States Senator