



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

FEB 0 6 1985

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MEMORANDUM FOR: Chairman Palladino
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
Commissioner Zech

FROM: William J. Dircks
Executive Director for Operations

SUBJECT: STAFF RESPONSE TO CHAIRMAN PALLADINO'S REQUEST TO
REEXAMINE WHETHER "ECONOMIC" BENEFITS CAUSE ANY PROBLEMS
REGARDING SEVERE ACCIDENT POLICY CRITERIA

REFERENCE: Staff Requirements Memorandum of January 16, 1985
from Chilk to Dircks on "Discussion/Possible
Vote on Severe Accident Policy Statement" (M841203)

The reference memorandum requested staff response to the following item arising in the Commission meeting of December 3, 1984 to discuss the Severe Accident Policy Statement (SECY-84-370):

Chairman Palladino requested that staff reexamine the wording on page 5 of the policy statement concerning "economic" benefits realized by standard designs to determine whether this work causes any problems in terms of criteria.

The matter in question is the underscored sentence in the third paragraph on page 5 of the revised Policy Statement as sent to the Commission by memorandum of November 23, 1984:

It is assumed in this Policy Statement that, over the next 10 to 15 years, utility and commercial interest in the United States will focus on advanced light water reactors that involve improvements but are essentially based on the technology that was demonstrated in the design, construction, and operation of more than 100 of these plants in the United States. This policy should not be viewed as prejudicial to more extensive changes in reactor designs that might be demonstrated during or beyond that time period. Indeed, the Commission encourages the development and commercialization of any standard designs that realize safety and economic benefits, such as those achieved through greater simplicity; slower dynamic response to upset conditions involving accident precursor events; passive heat removal for loss-of-coolant accidents; and other characteristics that promote more efficient construction, operation, and maintenance procedures to enhance safety, reliability, and economy.

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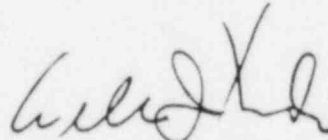
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The staff has no fundamental objection to deleting the words, "and economic" in the underscored sentence. Although these words correctly characterize present regulatory practice in reviewing new standard plant designs, the staff recognizes that the wording might construe an improper regulatory emphasis. Accordingly, the staff proposes to delete the reference to economic benefits and proposes the following sentence:

Indeed, the Commission encourages the development and commercialization of any standard designs that might realize safety benefits, such as those achieved through greater simplicity; slower dynamic response to upset conditions involving accident precursor events; passive heat removal for loss-of-coolant accidents; and other characteristics that promote more efficient construction, operation, and maintenance procedures to enhance safety, reliability, and economy.

The staff recognizes that the traditional role of private investment enterprise is to develop technologies that are the most economical of resource utilization within such regulatory constraints as are provided by law. The principles of safety-cost tradeoffs and cost-effectiveness analysis of design options permit both safety and economic benefits to be achieved in new plant designs so long as the overall safety level meets the Atomic Energy Act and NRC regulatory criteria.



William J. Dircks
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for Operations

cc: SECY
OPE
OGC
ACRS