



Department of Energy
Savannah River Operations Office
P.O. Box A
Aiken, South Carolina 29802
AUG 14 1998

Ms. Ann Loadholt, Chair
Citizens Advisory Board
P.O. Box 365
Barnwell, SC 29812

Dear Ms. Loadholt:

SUBJECT: Citizens Advisory Board (CAB) Recommendation Number 62

Thank you for the recommendation concerning Savannah River Site's path forward on the pilot program for external regulation being jointly conducted by the Department of Energy (DOE) and Nuclear Regulatory Commission (NRC). The DOE Savannah River Operations Office, (SR) accepts the CAB's recommendation as it applies to the Receiving Basin for Off-Site Fuel (RBOF), and has forwarded the Board's recommendation to Joseph E. Fitzgerald, Co-Chair of the Task Force on External Regulation.

DOE will implement this recommendation by taking the following actions:

- Complete the RBOF Pilot Program in accordance with the work plan.
- SR will invite the CAB to actively participate in the remaining phases of this pilot.
- SR will review the status of two other pilot projects, that of Lawrence Berkeley National Laboratory (LBNL) and the pilot project of the Radiochemical Engineering Development Center (REDC) at Oak Ridge National Laboratory and will prepare a briefing on all three pilot projects for the CAB if desired.
- SR will review the issues identified in the LBNL and REDC pilot projects to determine their applicability to the RBOF pilot program.
- DOE and NRC will use the results from these three pilot programs to develop a recommended path forward for external regulation of DOE facilities.
- The cost impacts of NRC oversight will be evaluated against the potential reductions of existing internal oversight as a part of the overall DOE evaluation.
- The two-year external regulation pilot program is scheduled to end in November 1999. Within three months after the two-year pilot program ends, DOE and NRC personnel will prepare and provide to the Secretary of Energy and the Commission a report on the advantages and disadvantages of NRC regulating DOE nuclear facilities based on the pilot program experiences. The report will include a recommendation on which DOE nuclear facilities should be externally regulated by NRC. If the Secretary and the Commission determine that some or all DOE nuclear facilities should be regulated by NRC, DOE, and NRC will prepare draft legislation giving NRC such authority.

The Department of Energy agrees that the decision on external regulation is an important issue and will keep the CAB informed as the pilot program progresses.

If you have any questions, please call me or contact Sandra Johnson at 803-557-3828.

Sincerely,

Greg Rudy
Manager

UE-98-0193