

REPORT TO THE CONGRESS



BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

Evaluation Of The Publication And Distribution Of "Shedding Light On Facts About Nuclear Energy"

Energy Research and Development Administration

Shedding Light is an Energy Research and Development Administration pamphlet intended for use in an internal performance improvement program. It was circulated in California 2 to 4 months before a ballot on nuclear energy in that State.

GAO believes this pamphlet did not make an objective presentation of the issues surrounding nuclear power. In addition, although the publication was intended for only internal distribution, ERDA printed and distributed copies far in excess of the program's requirements, and placed little or no restrictions on the distribution of the pamphlet.

As a result, the pamphlet was distributed beyond the scope of the program for which it was intended and was used by some recipients in an attempt to influence voters in California.

Although ERDA did not violate any laws, the pamphlet is not a proper document either for distribution to the public or contractor employees. GAO recommended certain actions to help prevent further use of *Shedding Light* or the publication and distribution of similar documents.



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-130961

To the President of the Senate and the
Speaker of the House of Representatives

Pursuant to requests of May 24, 1976, from Congressman
R1 Mark Hannaford and June 16, 1976, from the Chairman, Sub-
R2 committee on Energy and the Environment, House Committee
C- R3 on Interior and Insular Affairs, and Congressmen James Weaver
R3 and George Miller, we evaluated actions taken by the Energy
Research and Development Administration in publishing and
distributing copies of a pamphlet, "Shedding Light on Facts
About Nuclear Energy" before the June 8, 1976, referendum on
nuclear energy in California. Because of congressional in-
terest in that agency's actions with regard to this publica-
tion, we are making this report available to the Congress and
congressional committees with legislative responsibility over
the Energy Research and Development Administration's activi-
ties.

We made our review pursuant to the Budget and Account-
ing Act, 1921 (31 U.S.C. 53), and the Accounting and Audit-
ing Act of 1950 (31 U.S.C. 67).

Copies of the report are being sent to the Director,
Office of Management and Budget; and to the Administrator,
Energy Research and Development Administration.

Comptroller General
of the United States

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ABBREVIATIONS

ERDA	Energy Research and Development Administration
HEDL	Hanford Engineering Development Laboratory
GAO	General Accounting Office
LMFBR	Liquid Metal Fast Breeder Reactor
RDD	Reactor Development and Demonstration Division

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

EVALUATION OF THE PUBLICATION
AND DISTRIBUTION OF "SHEDDING
LIGHT ON FACTS ABOUT NUCLEAR
ENERGY"

Energy Research and Develop-
ment Administration

D I G E S T

Attempts to restrict or prohibit construction of new nuclear power plants through public referenda are on, or are expected to be on, several State ballots this year. The first referendum--the California Nuclear Safeguards Initiative, Proposition 15--was voted upon and defeated by California citizens on June 8. Similar referenda are qualified for the November ballot in Colorado, Oregon, Washington, Ohio, Arizona, and Montana.

From February through April 1976, before the California ballot, the Energy Research and Development Administration distributed 78,600 out of 100,000 copies of a pamphlet entitled "Shedding Light on Facts About Nuclear Energy" to its offices and contractors in California. The agency maintains that this pamphlet--referred to usually as "Shedding Light"--was part of a program--called the Performance Awareness Program--to improve morale and productivity among contractor employees in the controversial Liquid Metal Fast Breeder Reactor program.

GAO:

- Analyzed the objectivity of certain statements contained in the pamphlet and found that it was not objective, is propaganda, and was not a proper document for release to the public or to employees within the Liquid Metal Fast Breeder Reactor program.
- Examined the distribution and utilization of the pamphlet and found that the pamphlet was distributed beyond the scope of the Performance Awareness Program and was used by some recipients to influence California voters.
- Responded to certain legal allegations raised, and determined that the agency did not violate any applicable laws or regulations--with the exception of the Government Printing and Binding Regulations--in publishing and distributing "Shedding Light."

OBJECTIVITY OF "SHEDDING LIGHT"

According to agency officials, "Shedding Light" was intended only for internal distribution to participants in the Performance Awareness Program. As such, it was designed to offset antinuclear sentiment to which Liquid Metal Fast Breeder Reactor contractor employees were being subjected. However, the pamphlet contained several statements labeled as "facts," which do not fully discuss the issues in sufficient depth to provide an objective statement of the facts. As a result, the pamphlet is misleading.

For example, in discussing nuclear safety systems, the pamphlet states as a fact that "key safety systems are tested periodically to assure they will work if needed." This statement would lead the reader to believe that key systems such as the emergency core cooling system have been tested and will work. GAO noted, however, that the emergency core cooling system has never been tested on an operating reactor under accident conditions and that experimental tests will not begin using nuclear fuel at an agency facility until the fall of 1977. The pamphlet's discussion of the status of nuclear waste disposal and the role of private insurance in providing coverage in the event of a nuclear accident had similar shortcomings.
(See p. 7.)

This situation may have occurred, in part, because the agency did not (1) follow review procedures established for the dissemination of information to the public or (2) coordinate the pamphlet with the agency office responsible for overseeing the preparation and issuance of public information or information likely to affect the public. These procedures were not followed because the pamphlet was considered an internal document.
(See p. 11.)

Agency officials have taken measures to help assure that a situation similar to the one that evolved from publishing "Shedding Light" does not occur again by requiring that any publications that might be publically released follow established procedures. (See p. 13.) While these measures should help assure the objectivity of documents for public distribution, similar steps should be taken to provide for such reviews of educational materials disseminated to agency contractors under the Performance Awareness or similar programs.

DISTRIBUTION AND USE

Although agency officials contend that "Shedding Light" was intended only as an internal document, the Energy Research and Development Administration:

- Printed and distributed copies in excess of any realistic estimate of Performance Awareness Program participants' needs. The program reaches about 6,750 Liquid Metal Fast Breeder Reactor employees, yet 100,000 copies were printed--6 to 20 times more than any other program pamphlet. The text of the pamphlet had previously been printed and distributed to program participants as part of a program newsletter. Thus, there is some question as to whether "Shedding Light" was needed in view of this previous distribution. (See p. 15.)
- Placed little or no restrictions over the pamphlet's redistribution. Although agency officials said copies were restricted to Liquid Metal Fast Breeder Reactor contractors, most participating contractors and other agency officials who redistributed the pamphlet were not aware of any restrictions. Although the pamphlet had an Awareness logo on the back cover, it did not contain any statements that it was meant only for Performance Awareness Program participants. Also, the letters transmitting the pamphlet not only failed to indicate any restrictions but clearly permitted a broader circulation. (See p. 17.)

As a result, most copies of the pamphlet were redistributed beyond the scope of the Performance Awareness Program. Review of the distribution in California, for example, showed that the pamphlets were used as information handouts to the public and to organizations not part of the Performance Awareness Program.

For example, over 75 percent of the copies in California that could be accounted for as being distributed went to organizations--such as the 7-Up Bottling Company and Rockwell International's B-1 Bomber Division--not connected with the Liquid Metal Fast Breeder Reactor or any other agency nuclear program. Less than 10 percent of the copies

in California were distributed to employees participating in the Performance Awareness Program. GAO, however, could find no evidence that the agency made a conscious effort to distribute copies of the pamphlet to intentionally defeat the referendum.

Some copies of the pamphlet were clearly used as political tools by some recipients in campaigning against the California initiative. One company executive told his employees that copies of the pamphlet were being distributed because of the California initiative and, if they agreed that a no vote made sense, urged them to share the pamphlet with neighbors and friends. (See p. 24.)

The agency also received requests for up to 300,000 additional copies of "Shedding Light" for distribution outside the Performance Awareness Program. The agency, through its program contractor, initiated procedures to respond to these additional requests whereby interested companies could buy "Shedding Light." Subsequently, on August 9, 1976, the agency notified these requestors that additional copies would not be printed. (See p. 26.)

In responding to certain requests for copies of the pamphlet by various groups not participating in the program, agency offices, in six instances, distributed more copies than allowed by Government Printing and Binding Regulations. (See p. 27.)

LEGAL QUESTIONS

The agency did not violate (1) the Energy Reorganization Act of 1974, (2) the first amendment to the U.S. Constitution, (3) the Independent Offices Appropriation Act of 1952, or (4) antilobbying statutes. Interpretation and application of the Hatch Act are within the jurisdiction of the Civil Service Commission. Accordingly, if the requestors are still concerned about violations of that act, these concerns should be referred to the Civil Service Commission. (See p. 29.)

CONCLUSIONS

Although the agency did not violate any laws or regulations--except the Government Printing and Binding Regulations--in publishing and distributing "Shedding Light," in GAO's view, the pamphlet was not objective and is propaganda. GAO does not believe

that the pamphlet should have been distributed to agency or contractor employees. However, since it was, it should have been tightly controlled to prevent its release to individuals and groups who had no knowledge of its purpose. Agency officials should have recognized that "Shedding Light"--by the nature of the subject matter it was discussing and by its distribution to contractors outside of the agency's control at a time when nuclear power was controversial--had a good chance of being distributed to the public, particularly in California. Thus, because the pamphlet carries the agency's insignia and could, therefore, be interpreted as official agency policy, the agency, in GAO's view, should have assured its objectivity. Furthermore, because the text of the pamphlet had already been distributed to program participants as part of a newsletter, "Shedding Light" might not have been needed.

Because of its obvious pronuclear tenor, "Shedding Light" was not a proper document for distribution to the public or to employees within the Performance Awareness Program. The agency should not place itself in a position of misleading others--whether it be the public or its own contractor employees--for the sake of improving morale. In GAO's view, the pamphlet has only served to raise questions about the agency's credibility and objectivity.

GAO is also concerned over the possible misuse of undistributed copies of "Shedding Light," the possible redistribution of these pamphlets, and additional printings by other organizations.
(See p. 34.)

RECOMMENDATIONS

GAO recommends that the Administrator of the Energy Research and Development Administration:

- Avoid publishing, or assisting others in publishing, additional copies of "Shedding Light" without revision.
- Recover and destroy undistributed copies at various agency offices and participating contractors to assure that the pamphlet is not misused again.

--Prohibit the use of educational materials, in any program such as the Performance Awareness Program, which have not been subjected to established internal review procedures.

AGENCY COMMENTS

In commenting on a draft of this report the Energy Research and Development Administration's Deputy Assistant Administrator for Nuclear Energy agreed that the agency did not strictly control the number of pamphlets sent to each agency office and contractor and that initial distribution was, in some cases, disproportionate with Performance Awareness Program needs at the time of distribution. He disagreed, however, with GAO's characterization of "Shedding Light" as being propaganda. (See app. III.)

GAO, in addressing these comments, reemphasized its belief that "Shedding Light" was misleading and falls within the definition of "propaganda"--the deliberate spreading of facts, ideas, or allegations to further one's cause or to damage an opposing cause. (See p. 35.)

CHAPTER 1

INTRODUCTION

BACKGROUND

In recent years, nuclear energy alternatives to fossil fuels--such as the current light water reactors and the proposed Liquid Metal Fast Breeder Reactor (LMFBR)--have become the subject of much controversy. Questions have been raised concerning the safety of nuclear plants and the safeguarding and management of waste products and nuclear materials. As a result, nuclear safeguard initiatives restricting or prohibiting the construction of new nuclear power plants are on or are expected to appear on several State ballots. The first of these initiatives--the California Nuclear Safeguards Initiative, Proposition 15--was voted on and defeated in California on June 8, 1976. Other such initiatives have qualified for the November 1976 ballot in Colorado, Oregon, Washington, Ohio, Arizona, and Montana.

From February through April 1976, before the California ballot, the Energy Research and Development Administration (ERDA) distributed 78,600 copies of a pamphlet, "Shedding Light on Facts About Nuclear Energy"--also referred to as "Shedding Light"--to ERDA offices and contractors in California. (See app. I.)

On May 6, 1976, hearings on this pamphlet were held by the Subcommittee on Energy and the Environment, House Committee on Interior and Insular Affairs. After these hearings the Subcommittee asked ERDA officials for more detailed information concerning the pamphlet's distribution. In addition to the Subcommittee's concern and before ERDA officials responded to the Subcommittee's request, Congressman Mark Hannaford, in a request dated May 24, 1976, asked us to investigate the circumstances surrounding the pamphlet's publication and distribution.

On June 4, 1976, ERDA responded to the Subcommittee's request. However, neither the hearings nor ERDA's subsequent response dispelled the Subcommittee's concern over the pamphlet. As a result, on June 16, 1976, the Subcommittee requested a review similar to Congressman Hannaford's and questioned the legality of the pamphlet's use.

During the hearings before the Subcommittee on Energy and the Environment and in its response to the Subcommittee, ERDA officials maintained that "Shedding Light" was prepared, printed, and distributed as part of an established program to

improve the morale and productivity among contractor employees involved in the LMFBR program. This program, the Performance Awareness Program, is administered by ERDA's Division of Reactor Development and Demonstration (RDD).

PURPOSE AND SCOPE OF THE PERFORMANCE AWARENESS PROGRAM

The Performance Awareness Program is structured to aid LMFBR contractors and their employees in setting practical goals and in obtaining meaningful recognition for their accomplishments. By improving communications, understanding, and teamwork between and among managers and employees, ERDA hopes to heighten employee motivation to increase productivity and quality of work.

The goals of the Awareness Program are to (1) motivate employee groups to establish and work toward major goals and high performance standards, (2) stimulate high effectiveness and attainment levels for all activities, and (3) create and maintain an environment conducive to effective and high performance.

To reach these goals, the Awareness Program contains four program elements or systems.

- Goal identification and measurement system to identify, define, and communicate organizational and programmatic goals to all levels of the work force.
- Performance evaluation and improvement system to provide formal means for employees to identify and report ideas for more effective performance, areas for cost savings, reliability, and quality.
- Recognition system to recognize groups, teams, and individuals.
- Communication system to provide a general awareness of the program, feedback on the progress, and reports of achievements.

A further objective of the communication system is to educate workers so that they understand how national needs form the ultimate basis for determining organization and program goals. Education and information materials concerning the need for nuclear power and the problems and issues within the nuclear industry are distributed as part of the program to ERDA employees and the employees of contractors, subcontractors, and suppliers. "Shedding Light" was published and distributed as part of this program.

In addition to "Shedding Light," numerous other materials are circulated as part of this program, including:

- "All About Energy"--a children's book about the various uses of energy.
- "Advanced Nuclear Reactors"--an ERDA document about advanced nuclear systems.
- "Move Mountains Through Teamwork"--a cartoon booklet showing the need for teamwork.
- "National Awareness Guidelines"--a booklet describing the Awareness Program.
- "Awareness Program Summary"--summarizing the Awareness Program.
- Newsletters--summarizing awareness activities for participants. As of June 1976, four issues had been circulated.

Other materials for the Awareness Program include bicentennial pens, "Up-n-atoms" buttons, posters, and various decals. The total cost for these materials in fiscal year 1976 was about \$66,000.

Program implementation and funding

In December 1974, RDD instructed the Director of the Fast Flux Test Facility (an LMFBR project) to initiate the Awareness Program. An LMFBR contractor, Hanford Engineering Development Laboratory, (HEDL) ^{1/} was selected as a pilot facility to develop and distribute the training and communication materials and to coordinate Awareness Program activities among other participating contractors under RDD's overall direction and management. HEDL implemented a pilot program in July 1975. It later became responsible--under contract with ERDA--for the day-to-day operation of the program, and it uses program funds to provide technical communication and training support for the Performance Awareness Program.

The following table shows the estimated funding for the Awareness Program through fiscal year 1981.

^{1/} Government-owned facility operated by Westinghouse Corporation.

<u>Fiscal year</u>	<u>Estimated funding</u>
1975	a/ \$ 44,000
1976	a/ 260,000
Transition quarter	60,000
1977	259,000
1978	250,000
1979	200,000
1980	200,000
1981	200,000
Total	<u>\$1,473,000</u>

a/ Actual

In September 1975 ERDA asked four other LMFBR contractors to participate in the Awareness Program. These contractors accepted and as of July 1976 are participating.

Each contractor has a Performance Awareness Program representative who manages the program at the contractor level. Based on information obtained from their program managers, we developed the following table.

LMFBR contractors participating
in the Awareness Program

<u>Participating contractors</u>	<u>Employees</u>	<u>Subcontractors</u>
Hanford Engineering Development Laboratory (Richland, Washington)	2,200	-
Burns & Roe--Breeder Reactor Division (Oradell, New Jersey)	350	1 (25 to 30 employees)
Westinghouse Electric--Advanced Reactor Division (Madison, Pennsylvania)	1,200	-
Rockwell International--Atomics International Division (Canoga Park, California)	2,000	-
General Electric--Fast Breeder Reactor Division (Sunnyvale, California)	<u>1,000</u>	-
Total	<u>6,750</u>	

The number of employees involved is small compared with the 100,000 copies of "Shedding Light" printed; 78,600 copies were sent to California.

Except in one instance, the program has not been enlarged to include subcontractors. Some Awareness Program managers said the program has not proceeded as fast as expected. However, most program managers plan to enlarge the program soon to include subcontractors. ERDA hopes the program will eventually include all LMFBR contractors across the country.

In addition to these LMFBR contractors, some ERDA offices have circulated Awareness Program communication materials among ERDA employees. However, information distributed to ERDA offices has not been routine. Only the RDD Division and Chicago Operations Office have received routine distribution of Awareness Program newsletters. Other ERDA offices only receive the material upon request.

ROLE OF "SHEDDING LIGHT" IN THE PERFORMANCE AWARENESS PROGRAM

"Shedding Light" was prepared to encourage workers to take a positive view of the field in which they work. According to ERDA officials, it was an attempt to dispel many commonly believed concepts by providing straightforward comments.

According to ERDA officials, the information contained in the pamphlet was based on a speech written in July 1975, and presented on August 6, 1975, by a previous Director of RDD before the International Platform Association. The speech was entitled "Nuclear Power--Myth and Reality." The speech addressed eight statements classified as myths and, according to the Director, was given in the context that it might be an oversimplification. ERDA officials distributed about 500 copies of the speech upon request.

In September 1975, RDD officials decided to use a version of the speech as a Performance Awareness Program publication. RDD officials instructed HEDL to draft a pamphlet based upon the speech. The pamphlet was drafted by the editor of the Awareness Program newsletter, but it was not taken verbatim from the speech and contained several additions. It was reviewed by RDD management including, the previous Director of PDD before its use in the Awareness Program.

The text of "Shedding Light" was first published in the Awareness Program newsletter. About 8,100 copies of this newsletter were distributed to participating organizations in December 1975 and, in that same month, HEDL had 100,000 copies of the text printed under the title "It's Hard to

Kill Myths But We Can Try." These copies were never distributed because RDD management thought the cover, which depicted a knight slaying a dragon, was inappropriate. In a letter dated July 27, 1976, RDD directed HEDL to dispose of these copies.

In January 1976, another 100,000 copies of the same text were printed under a different cover and the current title. Between February and April 1976, 99,900 were distributed from HEDL to various ERDA and contractor offices in 5 States and the District of Columbia. (See ch. 4 for the California distribution and app. II for distribution outside California.) The remaining 100 copies were undistributed at the time of our review.

The following table summarizes HEDL's estimates of the costs associated with the publication of "Shedding Light."

Printing (100,000)	\$ 6,255
Production and layout	1,484
Editorial time	600
Art work and layout	884
Shipment costs	<u>913</u>
Total	<u>\$10,136</u>

Other costs, such as HEDL and ERDA administrative costs were not itemized. Printing cost for "It's Hard to Kill Myths But We Can Try," was \$5,929.

As a result of the congressional concern over the publication and distribution of "Shedding Light," we:

- Analyzed the objectivity of certain statements in the pamphlet. (See ch. 2.)
- Examined the distribution and utilization of the pamphlet. (See ch. 3.)
- Responded to certain legal allegations which have been raised. (See ch. 4.)

CHAPTER 2

"SHEDDING LIGHT" PRESENTS MISLEADING PICTURE OF ISSUES ON NUCLEAR POWER

We reviewed selected statements made in the pamphlet to assess their objectivity in discussing major nuclear issues, and we evaluated the review procedures used for publishing other Energy Research and Development Administration documents distributed to the public.

The review showed that:

--In an attempt to discuss major nuclear issues in a simplified manner, ERDA failed to adequately discuss relevant facts, such as the status of certain key safety systems and the problems involved in controlling and storing nuclear wastes.

--Because the Division of Reactor Development and Demonstration considered the pamphlet an internal document, RDD did not follow review procedures established for the dissemination of information to the public.

ERDA officials agreed that the pamphlet did not discuss all aspects of the issues surrounding the use of nuclear power. They emphasized that it was developed as an internal document for use by ERDA employees and LMFBR contractors to offset some of the antinuclear sentiment and, as such, was intended to be "pronuclear."

OVERSIMPLIFICATION OF MAJOR NUCLEAR ISSUES

"Shedding Light" attempts to address such issues as nuclear safety, waste management, and insurance in a simplified manner. Consequently, in a number of instances, the pamphlet fails to discuss the issues in sufficient depth to provide an objective statement of the facts.

Safety systems

In addressing the "Myth" that "key safety systems have not even been tested" the pamphlet states as a "fact" that "safety systems are tested periodically to assure that they will work if needed." This statement, in our view, implies that all safety systems have been tested to assure that they will work if needed.

Safety systems on operating nuclear reactors are tested periodically to assure they will respond to an accident. However, one major and critical safety system--the emergency core cooling system--has never been tested to assure that it will work if needed. On May 26, 1976, we reported on ERDA's and the Nuclear Regulatory Commission's major effort to test the emergency core cooling system at the Loss of Fluid Test Facility in Idaho. We noted that the emergency core cooling system--a system designed to prevent the nuclear fuel from melting should the reactor lose its normal coolant--has never been tested on an actual operating reactor under accident conditions. Rather, small scale experiments and complex computer analytical techniques are used to predict the adequacy of these key safety systems. Furthermore, LOFT tests using a reactor with nuclear fuel are not scheduled to begin until the fall of 1977. Even then, while these tests will be useful in predicting the events that occur during a loss-of-coolant accident, they will not by themselves prove or disprove the actual effectiveness of the emergency core cooling system in a commercial reactor.

In commenting on this report, ERDA officials said that the statement in the pamphlet was based on the Nuclear Regulatory Commission's requirement that all safety systems must be periodically subjected to certain readiness tests to insure that these systems are operable and can be actuated when needed. They said also that our example cited above is unrealistic because it contemplates the most severe accident possible--a core meltdown. They said that although the LOFT tests will come as close to testing the emergency core cooling system that will ever be done--short of an actual accident in an operating plant--it is unrealistic to imply that a catastrophic accident should be deliberately created in an operating commercial plant to determine if the system works.

We are by no means advocating that a reactor be destroyed for the purpose of testing the emergency core cooling system under actual conditions. Rather, we are pointing out one area where major questions exist as to the actual effectiveness of one major safety system. Further, we do not believe that testing for readiness to insure that safety systems can be actuated constitutes "testing to assure key safety systems will work, if needed." Thus, we believe the pamphlet misleads the reader into believing it is certain that all aspects of nuclear safety systems are effective and will work.

Waste disposal

Similar shortcomings occur in the pamphlet's discussion of nuclear waste disposal. "Shedding Light" states that

"solidified wastes from power reactors can be handled by permanent storage in underground salt beds or other stable geologic formations which have been isolated from the environment for hundreds of millions of years" and that "no management will be necessary by future generations."

ERDA officials said that the pamphlet's statement was based on the concept of placing solidified waste in underground vaults and then sealing these vaults to make them inaccessible. The pamphlet's statement, in our opinion, implies that decisions have been made and that a socially, environmentally, and politically acceptable solution has been reached.

Presently, however, ERDA is considering a number of waste disposal alternatives. Regarding permanent underground storage, ERDA has not yet developed a commercial method of solidifying wastes or located a safe site for isolating high-level wastes. One such site is being studied but cannot be considered a definite storage site, as a previous site has been abandoned in the past. Until permanent sites are found and a method of waste solidification commercialized, stored wastes will require continued surveillance and maintenance. Furthermore, the exact nature of managing these storage sites has not yet been formulated. Undoubtedly, some management will be required. Of all forms of waste, high-level liquid waste poses the most complex technical problems in management and the potentially most severe hazards, if released.

The pamphlet neglects to specify that the discussion is limited to high-level radioactive waste. Large quantities of low-level waste are generated from the total nuclear fuel cycle. These wastes are not highly radioactive, but the amount of plutonium in them is significant although in very low concentrations.

Our January 12, 1976, report to the Congress, "Improvements Needed in the Land Disposal of Radioactive Wastes--A Problem of Centuries" (RED-76-54) identified some weaknesses in the management of commercial low-level waste and ERDA disposal sites and noted that monitoring and maintenance at disposal sites will be required for many centuries. Some disposal sites are releasing some radioactivity into the environment. Thus, these wastes will continue to receive special consideration in Federal waste management regulations.

ERDA officials commented that they believed the statement of "no management" is reasonable and fair. They said that the storage system contemplated by the pamphlet will require certain surveillance and monitoring activities but did not believe that such activities constituted "management."

In our view, ERDA is playing with words. Monitoring and surveillance activities involves certain record keeping functions, the use and management of personnel, and, perhaps certain management decisions. In our opinion, such activities would constitute management. Nevertheless, the pamphlet's statement does not recognize the fact that the concept of solidifying wastes has not been commercialized nor does it address the problem of low level wastes. Thus, in our view, it misleads the reader into believing that the technical, environmental, and social problems of storing high and low level wastes have been solved.

Insuring nuclear plants

The Price-Anderson Act (42 U.S.C. 2210), enacted on September 2, 1957, provides for joint Government and private insurance company insurance of nuclear power plants. The act provides a combination of private financial protection and Government indemnity amounting to a maximum of \$560 million to cover public liability claims that might arise from an accident at a commercial nuclear powerplant. The act is designed to encourage continued participation in the development of nuclear power and was initially regarded as temporary legislation covering a 10-year period. In 1966 the act was extended an additional 10 years so that the accident potential and the insurance requirements of the nuclear industry could be assessed more accurately.

Concerning further Government participation, "Shedding Light" states that:

"Private insurance has been assuming an increasing share of the coverage and will eventually make it unnecessary for the Government to participate in the insurance."

While it is technically true that private insurance has been assuming an increasing share of the coverage, it is important to understand that just before the publication was released, the Price-Anderson Act was extended another 10-year period (Public Law 94-197) and is not due to expire until August 1, 1987. Although it provides for a program of phasing out the Government as principal indemnitor, the \$560 million liability ceiling remains. The Price-Anderson Act was initially regarded as temporary legislation; however, the law has been extended twice and will now cover almost a 30-year period. Thus, the future role of Government participation is still uncertain.

In addition, there is some controversy over whether there should be a liability limit on a nuclear accident. If

efforts to remove the liability ceiling are successful, the nuclear industry probably could not obtain adequate insurance coverage, thus, requiring even more Government participation assuming the development of nuclear power continues.

ERDA officials, in commenting on this report, reemphasized that private insurance has increased its coverage to \$125 million resulting in a decrease in the Government's liability and that it is Congressional intent that private coverage will continue to increase and Government liability will decrease so that Government will eventually have no share of the liability.

Although we agree that it is Congress' intent that the Government's role will eventually be phased out, the timing of this phase out is by no means certain particularly in view of the extensions that have been made to the act in the past, and the uncertainties regarding the commercial development of nuclear power. In our view, the pamphlet's statement understates the problem and misleads the reader.

"SHEDDING LIGHT" REVIEW PROCEDURES INADEQUATE

"Shedding Light" was not subjected to ERDA's review procedures established for the publication and distribution of public documents. This occurred because RDD considers the Performance Awareness Program an internal program. Therefore, RDD determined that material developed for that program was not subject to the formal review procedures for public documents.

Under the Energy Reorganization Act of 1974 (Public Law 93-438), the Administrator, ERDA, is responsible for creating and encouraging the development of general information to the public on all energy conservation technologies and energy sources, as they become available for general use, and disseminating such information by mass communication. The Administrator delegated this responsibility to ERDA's Office of Public Affairs.

That Office is to communicate ERDA's policies, programs, and activities to the general public, news media, scientific and engineering community, the Congress, and the executive branch. It is responsible for developing policies and procedures for preparing, clearing, and disseminating information and overseeing the preparation and public issuance of information.

Generally, documents intended for public distribution originate in the Office of Public Affairs and are then sent

to the appropriate program division for review, to assure that they are technically and factually correct. If the document originates in a program division (as did "Shedding Light") ERDA directives require the division to submit it to the Office of Public Affairs for review. Specifically, the division's responsibilities include:

- Referring to the Director, Office of Public Affairs, for appropriate action, proposed public information issuances, and actions.
- Advising the Office of Public Affairs of communications between ERDA and other organizations or individuals which have likely public information implications.

In reviewing public information documents, the Office of Public Affairs uses such criteria as:

- Is the data technically accurate?
- Does the publication present the information in a balanced manner?
- Does the publication represent official ERDA policy?

If the Office of Public Affairs believes that a document is not a suitable public information document, officials from both the Office of Public Affairs and the program division will work together to revise the document into a form acceptable to both parties.

"Shedding Light" was not reviewed by, or coordinated with, the Office of Public Affairs. Several Office of Public Affairs officials told us that "Shedding Light" was not a suitable document for public release because they believed the information is presented in a biased manner. Office of Public Affairs officials said that a judgment has to be made as to when an internal document might be considered to be a public document. In that Office's judgment, however, a document being distributed to contractors in large quantities, such as 100,000, should be assumed to be a public document.

The Office of Public Affairs was not aware of "Shedding Light's" distribution until after it was released by RDD. Later, the Office of Public Affairs notified by telephone the Richland and San Francisco Operations Offices and ERDA's Technical Information Center in Oak Ridge on April 9, 1976, to stop distribution to the public.

Although "Shedding Light" was reviewed by the Special Technical Assistant to the Director, RDD, it was not reviewed to determine if it gave a balanced and objective presentation. RDD officials said the pamphlet was not given such a detailed review because it was designed to be pronuclear to counteract antinuclear material being circulated, which, in their view, was having a detrimental effect on LMFBR employees, thereby affecting the quality of their work. As a result, RDD did not attempt to discuss all aspects of these issues and agrees that the pamphlet oversimplifies the nuclear issues it discusses.

More critical review procedures may have assured RDD officials of a more accurate and balanced publication. For example, in discussing the reliability of nuclear power, the pamphlet implies as fact that the average capacity factor for nuclear plants was 15 to almost 30 percent higher than oil- or coal-fired plants during the first 3 months of 1975. The figures used were obtained from an Atomic Industrial Forum survey which did not include all nuclear facilities.

ERDA has since admitted that these figures were inaccurate and now believes the average capacity factor for nuclear plants to be less than 3 percent higher than coal-fired and 16 percent higher than oil-fired plants. RDD officials stated that a change would be made to the pamphlet before additional copies (if any) were printed.

AGENCY ACTION

ERDA officials have taken measures to assure that a situation similar to the one that evolved from the publication of "Shedding Light" does not occur again. A June 23, 1976, directive from the Administrator, ERDA, to all Assistant Administrators concerning dissemination of information containing ERDA policy implications specifies that:

- "All publications prepared by contractors which present views, opinions, and conclusions of the contractor (not intended to be those of ERDA) have a disclaimer statement clearly displayed on the document."
- "All other proposed publications which present information reflecting either actual or potential agency position on program matters have an appropriately phrased statement of purpose clearly displayed on the document, including how it should be treated by the reader."
- "The Office of Public Affairs review all draft material prepared by divisions and offices which is

intended for public use or which has the potential for receiving public distribution." (Underscoring supplied.)

These measures should help to assure the objectivity of ERDA documents for public distribution. We believe, however, that information distributed to ERDA and contractor employees should also be objective. Thus, similar steps be taken to provide for Office of Public Affairs review of educational material disseminated to ERDA contractors under the Performance Awareness Program or similar programs.

CHAPTER 3

"SHEDDING LIGHT"

DISTRIBUTED BEYOND THE SCOPE

OF THE AWARENESS PROGRAM

Although Division of Reactor Development and Demonstration officials maintain that "Shedding Light" was intended only for internal distribution to participants of the Performance Awareness Program, the Energy Research and Development Administration:

- Printed and distributed far more copies of "Shedding Light" than needed for the Awareness Program.
- Placed little or no restrictions on the redistribution of the pamphlet by its recipients.

As a result, most copies were distributed beyond the scope of the Awareness program. In California, for example, the pamphlets were generally used as an information handout to the public and nonnuclear industries. Some copies, however, were clearly used as political tools by some recipients in campaigning against the California initiative.

In addition, we found that ERDA also received requests for up to 300,000 additional copies of "Shedding Light" for distribution beyond the scope of the Awareness Program. ERDA, through its program contractor, initiated procedures to respond to these additional requests whereby interested companies could buy quantities of "Shedding Light." ERDA subsequently decided not to honor these requests. ERDA officials, in redistributing copies of "Shedding Light" also violated Government Printing and Binding Regulations.

COPIES OF "SHEDDING LIGHT" PRINTED AND DISTRIBUTED INCONSISTENT WITH SCOPE OF THE AWARENESS PROGRAM

The Awareness Program reaches 6,750 Liquid Metal Fast Breeder Reactor employees; yet 100,000 copies of the pamphlet were printed. Copies of these pamphlets were distributed--78,600 of which went to California--after the text had already been distributed to program participants through a program newsletter. In addition, the distribution of the pamphlet was far more than could reasonably be expected based on the distribution of other Awareness Program materials.

Use of Performance Awareness Materials

<u>Title</u>	<u>Copies printed for the program</u>	<u>Copies distributed by HEDL</u>
"All About Energy"	5,000	3,190
"Advanced Nuclear Reactors"	5,000	4,100
"National Awareness Guidelines"	5,000	(a)
"Awareness Program Summary"	10,000	(a)
"Move Mountains Through Teamwork"	15,000	2,160
"Shedding Light on Facts About Nuclear Energy"	100,000	99,900
Newsletters		
Issue #1--9/75	15,000	9,700
Issue #2--12/75	15,000	9,400
Special issue--3/76	100,000	b/ 52,800
Issue #3--5/76	15,000	10,500

a/ No records were kept on the distribution.

b/ Over 30,000 were distributed to Atomics International but were not redistributed to employees. This newsletter discussed the progress of the LMFBP program. According to a HEDL official, the distribution of this newsletter was expected to be as large as "Shedding Light."

Except for the special issue of the newsletter, the number of copies of "Shedding Light" printed for the program was 6 to 20 times greater than any other publication.

We estimated what should have been distributed on the basis of the number of employees participating in the program by State and the previous distribution of other Awareness Program pamphlets to participating contractors.

Distribution by State

<u>State</u>	<u>Expected distribution of "Shedding Light"</u>	<u>Actual distribution of "Shedding Light"</u>
California	1,200 to 5,300	78,600
Pennsylvania	350 to 1,600	10,200
Washington	0 to 2,300	6,900
New Jersey	350 to 1,000	1,200
Illinois	0 to 800	1,400
Washington, D.C.	390 to 600	1,200
Tennessee	0	400

A disproportionate number of copies were sent to all of the above States. California, however, received 78.6 percent of all copies printed, almost 15 times the maximum expected distribution based on past experience.

For the most part, copies of "Shedding Light" were sent by HEDL with the approval of ERDA headquarters, based on requests by contractors and ERDA offices. Large requests from program participants in California, however, should have alerted ERDA officials that the pamphlet would be distributed beyond the scope of the program. For example, ERDA's San Francisco Operations Office asked for an unspecified number of copies of "Shedding Light" and received 28,800 copies. That office had previously received only 25 copies of 1 issue of an Awareness Program newsletter and 500 copies of 2 other Awareness Program publications. Clearly, in our view, the number of copies sent to California is not consistent with any realistic estimate based on past experience or number of program participants.

DISTRIBUTION NOT RESTRICTED

ERDA apparently placed little or no restrictions on the redistribution of "Shedding Light" by ERDA offices and contractors participating in the program, even though the document was admittedly pronuclear and was being provided at a time when the nuclear controversy was at its height in California. Although the pamphlet had an Awareness logo on the back cover, it did not contain any statements that it was an

internal document meant only for participating contractors in the LMFBR program.

The Assistant Administrator for Nuclear Energy, in his June 4, 1976, letter, told the Chairman of the Subcommittee on Energy and the Environment, House Committee on Interior and Insular Affairs, that the pamphlet was not prepared for public distribution and was restricted. He said that contractors were allowed to distribute Awareness Program materials to subcontractors and suppliers.

However, industry officials who manage the Awareness Program at the contractor level and who received copies of "Shedding Light" were unaware of any restrictions. Similarly, ERDA officials at the operations and program offices in California, Illinois, and Tennessee were also unaware of any such restrictions.

The cover letters from HEDL accompanying copies of the pamphlet not only failed to indicate any restrictions but also clearly permitted a broader circulation. For example, cover letters accompanying shipments to participating contractors stated:

"We have sent * * * copies of the booklet 'Shedding Light on Facts About Nuclear Energy' to you for distribution to your employees and others who might benefit from the information. Additional copies of the booklet can be made available if you need them."
(Underscoring supplied.)

If ERDA did have restrictions on circulating copies of "Shedding Light" at the time of distribution, such restrictions were not communicated to program managers or ERDA officials who redistributed copies of the pamphlet. Certainly the phrase underscored above would permit a wider distribution than to participating LMFBR employees.

Because ERDA printed and distributed copies of "Shedding Light" in excess of the program's needs and because it failed to restrict further distribution, most copies were distributed beyond the program's scope.

DISTRIBUTION AND USE OF "SHEDDING LIGHT" IN CALIFORNIA

In a June 4, 1976, letter to the Chairman of the Subcommittee on Energy and the Environment, House Committee on Interior and Insular Affairs, the Assistant Administrator for Nuclear Energy stated that ERDA believed the number of pamphlets requested by and sent to California was reasonable and

based primarily on the large number of LMFBR contractors in that State and the participation of these contractors in the Performance Awareness Program. This ERDA official stated further that California has 110 major contractors or subcontractors and over 1,500 support contractors currently doing LMFBR work.

As noted earlier, however, only two LMFBR contractors are participating in the Awareness Program in California, and neither had enlarged the program to include subcontractors. As discussed below, less than 10 percent of the copies of "Shedding Light" were distributed among participating employees in California. Many copies were distributed to employees involved in nonnuclear activities.

All of the copies were distributed from HEDL with ERDA's approval and were initially distributed to participating organizations or ERDA offices in California.

Initial Distribution in California

<u>Organization</u>	<u>Copies</u>
General Electric--Fast Breeder Reactor Division (note a)	4,800
Rockwell International--Atomics International Division (note a)	33,600
San Francisco Operations Office (note b)	28,800
Southern California Energy Project Office (note b)	<u>11,400</u>
Total	<u>78,600</u>

a/ Awareness Program participants.

b/ ERDA offices.

Distribution by General Electric

General Electric's Fast Breeder Reactor Division redistributed about 700 copies of the pamphlet to its employees. The remaining copies have not yet been redistributed. General Electric planned to distribute these copies to subcontractors who enter the Performance Awareness Program.

Distribution by Atomics International

In addition to 33,600 copies from HEDL, Atomics International received 5,000 copies from the San Francisco Operations Office. Dissemination was not restricted to LMFBR-related employees. Copies were distributed to various divisions of Rockwell International, most of which are not involved with nuclear energy.

Redistribution of "Shedding Light" by Atomics International

<u>Division</u>	<u>Principal activity</u>	<u>Copies</u>
B-1	B-1 bomber	7,200
Rocketdyne	Rocket engines	4,200
Space	Space shuttle	11,400
Science Center	Basic research	225
Autonectics	Military guidance systems	10,200
Atomics International	LMFBR	5,000
Distribution could not be determined		<u>375</u>
Total		<u>38,600</u>

Most of these copies were distributed at various factory gates so employees could obtain copies as they left work. Additional copies were also given to employees for their own redistribution.

Distribution through ERDA offices

ERDA officials at the San Francisco Operations Office and the Southern California Energy Project Office

distributed nearly half of the copies circulated in California. ERDA's Awareness Program representative at the Southern California Energy Office distributed 10,800 of the 11,400 copies he received. Approximately 6,000 copies were distributed to Bechtel Corporation at Norwalk, California, and redistributed at construction sites and through information carousels. Bechtel at Norwalk is an engineering and design division of Bechtel International for both nuclear and fossil fueled plants. Bechtel at Norwalk is not involved in the LMFBR program.

We could not determine the distribution of the remaining 4,800 copies distributed through the Southern California Energy Project Office. ERDA Awareness Program representatives indicated these copies were sent to Atomics International representatives; however, Atomics International officials could not verify receiving these copies. ERDA and Atomics International did not keep records, and, according to officials at both organizations, extra copies could have been sent to or used by various people who had access to the shipments.

Distribution of 28,800 copies to ERDA's San Francisco Operations Office was through that Office's Director of Public Affairs. In some cases ERDA officials could only estimate distribution, since records were not kept. Thus, we could not verify the entire 28,800.

Distribution from
San Francisco Operations Office

<u>Recipient</u>	<u>Copies received</u>
Audobon Society Convention	<u>a/</u> 1,200
ERDA Library	<u>a/</u> 200
Exhibit at Wells Fargo Bank, individual requests, and speeches given by ERDA officials	<u>a/</u> 400
Westinghouse Regional Office-- (San Francisco)	2,390
American Nuclear Society	2,400
Atomics International	5,000
San Diego Program Office	1,200
Los Angeles: Office of Public Affairs (see following table)	10,000
On hand	3,016
Distribution could not be determined	<u>2,994</u>
Total	<u>28,800</u>

a/ ERDA estimate.

Distribution from the
Los Angeles Office of Public Affairs

<u>Recipient</u>	<u>Copies received</u>
American Nuclear Society	3,900
Family Day at Atomics International	a/ 1,000
Trailer Exhibitions	a/ 1,800
On hand	2,591
Individual requests and speeches given by ERDA officials	a/ 600
Distribution could not be determined	109
Total	<u>10,000</u>

a/ ERDA estimate.

The 2,390 copies sent to Westinghouse Regional Office in San Francisco were distributed through Westinghouse public information offices to various Westinghouse divisions and subsidiaries, such as Half-Moon Bay Properties, Inc. (70 copies) --a reality company--and the 7-Up Bottling Company of Southern California (1,000 copies).

Copies of the pamphlet used by the American Nuclear Society were requested by Society members employed at C. F. Braun--a non-participating contractor. According to an ERDA officials, some of the copies were shipped to employees at C. F. Braun while some were shipped to an employee's home. These copies were distributed throughout southern California at various talks as part of the American Nuclear Society's information program.

All of the 1,200 copies sent to ERDA's San Diego Program Office were given to representatives of General Atomics, a nuclear industry firm, which made about 550 available to American Nuclear Society members at General Atomics. The remaining copies were returned to ERDA officials and have not been redistributed.

We could not determine the distribution of 2,994 copies because, although ERDA officials indicated they were sent to the Westinghouse Corporation, they could not tell us who requested them or to whom the copies were sent.

Only 6,700 copies (less than 10 percent) of the pamphlets were eventually distributed within the scope of the Awareness Program in California. Over 75 percent of the copies we could account for as being distributed went to people and organizations not connected with the LMFBR or any other ERDA nuclear program. About 11,000 copies remain on hand at various ERDA contractors and offices.

Disposition of
"Shedding Light" in California

<u>Disposition</u>	<u>Copies</u>
Distributed to Performance contractors, other LMFBR contractors or subcontractors, or their families.	6,700
Distributed to nuclear industry employees other than LMFBR contractors.	6,000
Distributed to employees of nonnuclear industry (i.e., B-1 bomber, space shuttle, 7-Up Bottling, etc.).	35,615
Distributed to the American Nuclear Society	6,850
Distributed by ERDA officials to the general public through exhibits, speeches, and requests.	4,200
Disposition could not be determined.	8,278
On hand at various ERDA contractor or ERDA offices.	<u>10,957</u>
Total	<u><u>78,600</u></u>

Use of "Shedding Light"
as a political tool

ERDA officials admit that the unusually large number of requests for copies may have been prompted by the intense concern over nuclear energy in California. We found that the

pamphlets which were distributed outside the scope of the program in California were used by some recipients to influence voters.

For example, in an April 2, 1976, letter to executive staff members, the President of a Rockwell International Division stated:

" . . . I am asking each of you to participate actively in efforts to assure that Proposition 15 does not pass. A 'No' vote is required to defeat the initiative."

"In the next few days you will receive booklets to be distributed to each of your employees. These should be handed out personally to employees by their supervisors. The booklet is entitled 'Shedding Light on'. It was prepared by the Energy Research and Development Administration and it contains the facts about nuclear energy."

In a letter of April 7, 1976, to all employees, he stated further:

"The attached booklet was produced by the United States Energy Research and Development Administration to correct many popular misconceptions about nuclear energy.

Rockwell International is distributing this information to you at this time because of Proposition 15 the Nuclear Shutdown Initiative--which will appear on the June 8 ballot.

If you agree that a 'No' vote on Proposition 15 makes sense, you are urged to share this information with your neighbor and friends."

Some copies of "Shedding Light" were also provided by General Electric to its employees as reference material to be used in coffee discussions sponsored by the "No on 15" committee.

The large quantities distributed by ERDA officials to members of the American Nuclear Society were made available at talks on nuclear energy. Society members, however, said the pamphlet was only used to provide information and not to defeat the initiative. Other contractors who distributed copies outside the scope of the program also indicated they were used only as information on nuclear energy and not as a campaign effort.

The "No on 15" committee which was formed to defeat proposition 15 included some industry officials who had

received copies of "Shedding Light" and had access to additional copies. It included employees of participating contractors and American Nuclear Society members who received bulk shipments of "Shedding Light." These industry officials and Society members told us, however, that copies of "Shedding Light" were not used in conjunction with any formal campaign efforts.

Staff from the "No on 15" committee also said they never used the booklet in their campaign, although they had access to it. They wanted to run a low key campaign and "Shedding Light" did not suit their efforts. One thought it looked too much like a "religious" handout and another questioned its accuracy.

In one instance, copies were sent by an ERDA official to a representative of General Atomics, who was also a member of the "No on 15" committee. In a letter dated July 27, 1976, the General Atomics representative said he supplied copies for the committee's use, but shortly afterwards the committee stopped distribution and returned the copies to him. Some of these were later distributed to American Nuclear Society members; the remainder were returned to ERDA.

ATTEMPTS TO RESPOND TO ADDITIONAL REQUESTS

In addition to the 100,000 copies printed, ERDA received several requests for quantities of "Shedding Light" for distribution outside the Awareness Program. This included a number of requests from electric utility companies. Westinghouse Corporation and Rockwell International also requested an additional 300,000 copies.

In attempts to respond to these requests, HEDL officials with ERDA's knowledge ordered 100,000 copies through the Government Printing Office with a Seattle printer. This order was later increased to 200,000 copies. HEDL planned to charge the requesting organizations for the cost of the pamphlets but discovered that this could not be done, according to their contract. On May 7, 1976, HEDL officials canceled the contract with the Seattle printer.

Another agreement was then reached with a Seattle printer. Under this agreement, the printer would be allowed to use the negatives of the pamphlet to print copies for non-Government use, with the condition that they not refer to ERDA, the Government Printing Office, or the Awareness Program. HEDL then sent letters on May 11, 1976, to Rockwell International and the Westinghouse Corporation informing them of the

proposed procedures, the cost for 100,000 copies, and the printer through which they could order these copies.

One day later--6 days after congressional hearings on "Shedding Light"--RDD told HEDL officials that additional copies of the pamphlet should not be printed and that the proposed mechanism established for the purchase of this pamphlet would be reviewed by ERDA management and General Counsel. HEDL persuaded the Seattle printer not to print additional copies for interested buyers and was charged \$1,000 in fees by the Seattle printer.

On August 9, 1976, an ERDA official sent letters to interested companies stating that ERDA has no plans for further printing of the pamphlet because the first printing was sufficient for the program.

VIOLATIONS OF GOVERNMENT PRINTING REGULATIONS

Government Printing and Binding Regulations (Oct. 1974, no. 23) specify that:

"Departments shall not make free distribution of any publication to any private individual or private organization in quantities exceeding 50 copies without prior approval of the Joint Committee on Printing. This quantity limitation shall not apply when the production cost of the publications to be distributed is less than \$50."

The term "department" is defined to include independent agencies, such as ERDA.

This restriction includes the free distribution in bulk of any material to private individuals or organizations for redistribution. Committee approval is not required when the initiative for distribution through non-Governmental facilities is taken by departments.

According to ERDA officials--with the exception of program participants--ERDA did not take the initiative to distribute the pamphlets. ERDA responded to requests; however, approval was not obtained from the Joint Committee on Printing for free bulk distribution. As a result, shipments of quantities of "Shedding Light" in excess of 850 copies would violate the \$50 limit. We found that ERDA officials made several such shipments.

Violations of Government
Printing and Binding Regulations

<u>ERDA office</u>	<u>Recipient</u>	<u>Copies</u>
San Francisco Operations Office	Westinghouse Regional Office	2,390
San Francisco Operations Office	American Nuclear Society	2,400
Los Angeles Operations Office	American Nuclear Society	2,400
Los Angeles Operations Office	American Nuclear Society	1,500
Southern California Energy Project Office	Bechtel Corp.	6,000
ERDA official at San Diego	General Atomic	1,200

In addition, because HEDL is under Government contract and all requests were approved by ERDA headquarters, free bulk shipments from HEDL to nonprogram participants at their request would also violate these regulations. These include shipments of 1,400 copies to United Nuclear Industries, Richland, Washington; 1,800 copies to Sheet Metal Union, Richland, Washington; and 5,400 copies to Westinghouse Nuclear Energy Systems, Madison, Pennsylvania. (See app. II.)

Shipments to contractors participating in the Awareness Program would not violate these regulations, because ERDA initiated the program.

CHAPTER 4

LEGAL QUESTIONS ABOUT THE PUBLICATION AND DISTRIBUTION OF "SHEDDING LIGHT"

The Chairman, Subcommittee on Energy and the Environment, House Committee on Interior and Insular Affairs, asked us to review certain questions about the legality of the Energy Research and Development Administration's actions in publishing and distributing "Shedding Light." Some of the Subcommittee's concern resulted from allegations made by the Scientists' Institute for Public Information in a letter to the Subcommittee Chairman dated May 28, 1976.

In publishing and distributing "Shedding Light," ERDA did not violate:

- The Energy Reorganization Act of 1974 (42 U.S.C. 5801).
- The first amendment to the U.S. Constitution.
- The Independent Offices Appropriation Act of 1952 (31 U.S.C. 483a).

Publication of the pamphlet does not violate existing Federal antilobbying statutes. Because we do not have authority to make legal determinations of possible violations of State law, we have not attempted to determine whether the pamphlet violated any California statutes. In addition, interpretation and application of the Hatch Act (5 U.S.C. 7324) are within the jurisdiction of the Civil Service Commission, and any concerns about a possible violation of that act should be referred to the Civil Service Commission.

ENERGY REORGANIZATION ACT OF 1974

The Energy Reorganization Act of 1974 establishes ERDA and gives the Administrator broad authority to conduct research and development programs, such as the Liquid Metal Fast Breeder Reactor program. ERDA justifies the use of the pamphlet as part of its Performance Awareness Program within the scope of the LMFBR program. Although the Energy Reorganization Act does not specifically authorize the Awareness Program, section 107(a) authorizes the Administrator "generally to take steps as he may deem necessary or appropriate to perform functions now or hereafter vested in him." This section is sufficiently broad to encompass an employee motivational program such as the Awareness Program and the use of "Shedding Light" as part of that program.

As noted previously, distribution of "Shedding Light" clearly exceeded the scope of the program. Because the Awareness Program was created and developed administratively, however, there are no statutory criteria to support a conclusion as to who should or should not receive Awareness Program material. Thus, although the pamphlet's distribution clearly exceeded the scope of the existing program, we cannot point to any provision of the Energy Reorganization Act that was violated by the publication or distribution of "Shedding Light." Although some copies of the pamphlet were used in an attempt to influence voters, no evidence shows that ERDA made a conscious effort to distribute copies to intentionally defeat the referendum.

FIRST AMENDMENT

The first amendment to the U.S. Constitution provides that "Congress shall make no law * * * abridging the freedom of speech." The Scientists' Institute for Public Information, in its letter to the Subcommittee, alleges that the first amendment has been violated where

"public funds are used to promote the views on one side of a controversial issue which has been placed on the ballot, and hence some taxpayers are being forced to subsidize political advertising expressing points of view with which they do not agree."

In addition, the Institute contended that the Constitution requires that the Government be neutral on "questions which have been left to voter resolution."

In support of its position, the Institute cited a footnote in a recent Supreme Court decision 1/ which in turn cited dissenting opinions in two prior cases. While the language cited by the Institute may be viewed as lending some support to its position, we have found no cases which have affirmatively adopted this view. On the contrary, courts have stated that the Government may publish controversial positions. For example, the Fourth Circuit Court of Appeals in 1973 found that Federal and State governments "may spend money to publish the positions they take on controversial subjects." 2/ In another 1974 case, a district court stated that

1/ Buckley versus Valeo, 44 U.S.L.W. 4127, 4154, note 124 (January 30, 1976).

2/ Joyner versus Whiting. 477 F. 2d 456, 461, (4th Cir. 1973).

"More fundamentally, the notion that it is unconstitutional and somewhat violative of the rights of individual members of society for a Government to advocate a particular position is erroneous. * * * What is condemned by the free speech guarantee of the First Amendment is not advocacy by the Government, but rather conduct which limits similar rights guaranteed to individual members of society." 1/

The first amendment and court interpretations do not specifically prohibit public funds from being used to promote controversial issues or require neutrality on the part of a Federal agency. In the absence of judicial decisions establishing the position argued by the Institute, we do not believe it would be proper for us to conclude that ERDA's action violated the first amendment.

INDEPENDENT OFFICES APPROPRIATION ACT OF 1952

Title V of the Independent Offices Appropriation Act of 1952--the so called User Charge statute--authorizes the head of a Federal agency to establish charges for services rendered by Government agencies. It does not establish an affirmative requirement that charges be made for all services rendered by Government agencies, but merely authorizes agencies to establish charges in certain situations. Thus, the failure by ERDA to charge a fee to recipients of the pamphlet does not violate this act. In any event, we do not believe that the User Charge statute applies in this case because ERDA apparently published and distributed the pamphlet originally at its own initiative and to serve its own purposes.

ANTILOBBYING STATUTES

Two Federal statutes deal with antilobbying activities --18 U.S.C. 1913 and the Federal Regulation of Lobbying Act (2 U.S.C. 261-270), both of which are penal statutes. Neither applies to the publication of "Shedding Light."

18 U.S.C. 1913 prohibits the use of appropriated funds to take certain actions designed to influence a member of the Congress "to favor or oppose, by vote, or otherwise, any legislation or appropriation by Congress * * *." The Federal Regulation of Lobbying Act is similarly limited to Federal legislation.

1/ Arrington versus Taylor, 380 F. Supp. 1348, 1364 (M.D.N.C. 1974).

Several appropriation acts also contain general provisions prohibiting the use of appropriated funds for certain "publicity or propaganda" purposes. ERDA's fiscal year 1976 appropriations for its nuclear activities, however, do not contain a publicity or propaganda provision. The only fiscal year 1976 publicity or propaganda provision applicable to ERDA is section 607(a) of the Treasury, Postal Service, and General Government Appropriation Act of 1976 (Public Law 94-91) which provides that:

"No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any corporation or agency, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress."
(Emphasis added.)

While it could be reasonably argued that "Shedding Light" was propaganda, section 607(a) is also limited to pending Federal legislation. Thus, publication of the pamphlet does not violate existing Federal antilobbying statutes or prohibitions, because such statutes do not apply to attempts to influence State elections or referendums.

HATCH ACT

The Hatch Act prohibits a variety of political activity by Government employees. The interpretation and application of the Hatch Act, however, are matters for determination by the Civil Service Commission. Accordingly, if the requestors are still concerned about violations of that act, these concerns should be referred to the Civil Service Commission.

CHAPTER 5

CONCLUSIONS, RECOMMENDATIONS, AND AGENCY COMMENTS

CONCLUSIONS

"Shedding Light" is an Energy Research and Development Administration pamphlet which, according to ERDA officials, was intended only for internal distribution to participants in the Performance Awareness Program. Furthermore, ERDA officials said it was designed to offset antinuclear sentiment to which Liquid Metal Fast Breeder Reactor contractor employees were being subjected. We believe the pamphlet is pronuclear and does not provide an objective discussion of the issues surrounding the development of nuclear power. It contains several statements relating to nuclear safety, waste management, and insurance which do not fully discuss the issues resulting in a misleading publication.

Although ERDA did not violate any laws or regulations --with the exception of the Government Printing and Binding Regulations--in publishing and distributing "Shedding Light," in our opinion, the pamphlet is propaganda. We do not believe that the pamphlet should have been distributed to ERDA or contractor employees. However, since it was, it should have been tightly controlled to prevent its release to individuals and groups who had no knowledge of its purpose.

ERDA officials should have recognized that "Shedding Light"--by the nature of the subject matter it was discussing and its distribution to contractors outside of ERDA's control at a time when nuclear power was surrounded by controversy--had a good chance of being distributed to the public, particularly in California. Thus, because the pamphlet carries the ERDA insignia, which could be interpreted as an expression of official ERDA policy, ERDA, in our view, should have assured that it was objective. ERDA, however, did not (1) subject the pamphlet to a detailed technical review to assess its total objectivity or (2) coordinate it with the Office of Public Affairs.

ERDA should not place itself in a position of misleading others--whether it be the public or its own or contractor employees--for the sake of improving morale.

Although ERDA officials contend that "Shedding Light" was intended only as an internal document, its actions in

printing and distributing copies of the pamphlet were in sharp contrast to this stated purpose. ERDA:

- Printed and distributed copies in excess of any realistic estimate of participants' needs, particularly after the text of "Shedding Light" had already been circulated to participants in newsletters.
- Gave the pamphlet a much wider distribution than other materials used in the program.
- Placed little or no restriction on the pamphlet's redistribution by program participants.
- Initiated procedures to respond to further requests beyond the program's scope.

In our view, publication and distribution of "Shedding Light" has only served to raise questions about ERDA's credibility and objectivity.

Furthermore, ERDA is responsible for the use of this publication, especially since it carries an ERDA insignia. At the time of our review, over 10,000 copies of "Shedding Light" were undistributed in California. An additional 100,000 copies were being stored at HEDL under another cover and title but with the same text. We are concerned over (1) the possible distribution of these pamphlets, (2) their use as reference material, and (3) additional printings by other organizations. ERDA officials said they have no plans of recalling distributed copies or issuing a retraction.

RECOMMENDATIONS

The action taken by the Administrator of ERDA to assure that pamphlets such as "Shedding Light" are reviewed by the Office of Public Affairs should help avoid any reoccurrence of the situation created by the publication of "Shedding Light." Nevertheless, because of concern over the possible reuse of "Shedding Light" in efforts against future nuclear initiatives, and because of the possible interpretation of the pamphlet as official ERDA policy, we recommend that the ERDA Administrator:

- Avoid publishing, or assisting others in publishing, additional copies of "Shedding Light" without significant revision.

- Recover and destroy undistributed copies at various ERDA offices and participating contractors to assure that the pamphlet is not misused again.
- Prohibit the use of educational materials which have not been subjected to established internal review procedures in any program such as the Awareness Program.

AGENCY COMMENTS AND
GAO EVALUATION

We discussed this report with ERDA officials and included their comments where appropriate. A copy of ERDA'S written comments are included as appendix III to this report.

ERDA agreed that it did not strictly control the number of pamphlets sent to each ERDA office and contractor and that initial distributions were, in some cases, disproportionate with program needs at the time of distribution. ERDA took strong exception, however, to our characterization of "Shedding Light" as being propaganda. ERDA said that the use of this term connotes a deliberate intent to misrepresent the facts and to purposely deceive the readers. It emphasized that the pamphlet was intended to be a brief summary of information on nuclear power and was not intended to offer a complete discussion of all aspects of the issues. ERDA believed that LMFBR program employees have access to other documents which provide a more detailed description of the issues treated in the document. Also, ERDA believed that the pamphlet contained no misstatement of fact.

While the pamphlet may not have included an outright misstatement of fact, we believe that, ERDA did not discuss the issues in sufficient depth to provide an objective statement of the current state of nuclear power. ERDA presented certain facts and omitted others in a way which resulted in a misleading document. Thus, we still believe that the pamphlet meets the definition of propaganda--the deliberate spreading of facts, ideas, or allegations to further one's cause or to damage an opposing cause.

ERDA believed our report inferred that the number of copies of "Shedding Light" printed was influenced by ERDA's desire to distribute the pamphlet to the public. ERDA said that at the time the pamphlet was prepared, contractor participation in the Performance Awareness Program was expanding. In addition to the participation of the major contractors, the feasibility of expanding the program to numerous subcontractors was considered. Since future program requirements for communicational material of this sort was uncertain,

ERDA said it ordered a quantity that would be adequate to meet program demands in the most economical manner. ERDA officials said they considered printing 65,000 copies of the pamphlet; however, the Government Printing Office advised that an additional 35,000 would, on an incremental unit cost basis, be substantially lower. Assuming that the pamphlet would be of use over an extended period of time, ERDA said it decided to have one bulk printing of 100,000 copies.

This explanation, in our view, does not explain the eventual large distribution in just two months nor does it adequately explain why large printings were not made of other program materials. In addition, even 65,000 copies would still be far in excess of program needs.

Regarding our recommendations, ERDA officials said that they had collected almost 15,000 undistributed copies of the pamphlet in California and Washington and that collection of some 1,500 copies in other locations is currently underway. They said, however, that they have no plans to destroy these copies at this time. In addition, as noted earlier, on July 27, 1976, ERDA directed HEDL to dispose of the copies of the pamphlet being stored at HEDL under another title and cover.

In addition, ERDA said that it is currently analyzing its review and distribution procedures for Awareness Program materials to determine the extent to which revisions may be required to insure that future distribution of materials is proportionate to existing needs.

CHAPTER 6

SCOPE OF REVIEW

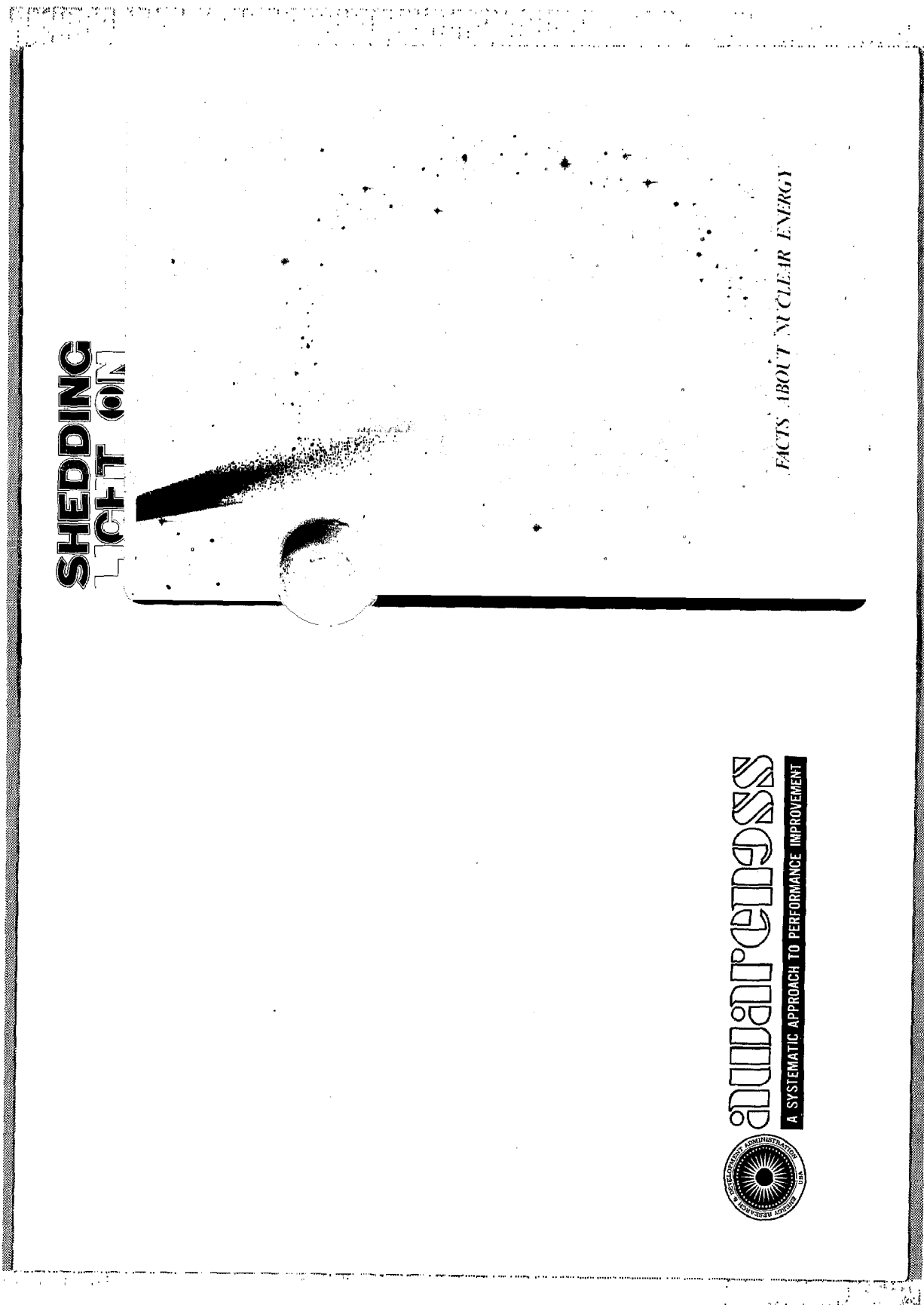
Our review was directed toward evaluating the publication and distribution of "Shedding Light" and the concern over the legality of the pamphlet's distribution in California. We obtained the information in this report by reviewing documents, reports, correspondence, and other records and by interviewing agency officials.

During our review we talked to Energy Research and Development Administration officials in California, Illinois, Washington, Tennessee, and Washington, D.C., and to the ERDA contractors participating in the Performance Awareness Program. We also interviewed officials at the Government Printing Office in Washington, D.C., and Seattle, Washington, and Graphicolor, Seattle, Washington, and representatives of the American Nuclear Society in California. In addition, we talked to people who actively campaigned either for or against proposition 15, such as, members of the "YES on 15 Committee" and "NO on 15 Committee."

We interviewed representatives of various organizations who received bulk shipments of the pamphlet. These included:

- Several divisions of Rockwell International in California.
- Several divisions of Westinghouse in California and Pennsylvania.
- Westinghouse subsidiaries in California.
- General Atomics, San Diego, California.
- Bechtel Power Corporation, Norwalk, California.
- Sheet Metal Workers Union, Richland, Washington.
- United Nuclear Industries, Richland, Washington.

REPRODUCTION OF "SHEDDING LIGHT"



NUCLEAR ENERGY

*Is one of the most controversial issues
of our controversial age.*

*Americans are being asked to take
sides on an issue that has become so
fuzzy and emotional that it's hard to
know WHO to believe.*

*Isn't it time to shed some light on
nuclear energy — to substitute facts
for myth?*

*Don't allow others to make decisions
for you
Get the facts, then —*

Let your voice be heard!

MYTH.

"A nuclear plant is a potential atom bomb."

FACT.

There's no way to get a nuclear explosion from today's power plants. There is neither enough concentrated nuclear material nor the conditions needed to initiate such a reaction.

MYTH.

"Nuclear reactors are unsafe. Key safety systems have not even been tested. The government is covering up some 'near misses'."

FACT.

No power reactor relies on one single safety system. Each reactor has multiple backup safety systems, plus barrier after protective barrier. Safety systems are tested periodically to assure that they will work if needed.

FACT.

There have been equipment failures and other accidental incidents at nuclear power plants. Not one of these incidents has caused injury or death to any member of the public. No worker has been injured or killed as a result of the nuclear character of these plants. Such performance is not luck. It is a result of sound engineering.

MYTH.

"Low level radiation from nuclear power plants is causing disease and death."

FACT.

Cosmic rays and natural background radiation give us thousands of times more radiation than that released by nuclear plants. This has been going on since time began. Each of us receives about 180 units of radiation exposure a year from such natural sources. Total additional yearly exposure from all operating reactors in the US is, on the average, less than a hundredth unit per person.

MYTH.

"We can't safely handle or store the radioactive wastes from nuclear power plants. It is immoral to pass on to future generations the risk associated with managing these wastes for thousands of years."

FACT.

Power reactors don't produce vast quantities of waste. Enough nuclear fuel to produce a year of electric power for an American family produces radioactive waste equivalent to the size of a couple of aspirin tablets.

FACT.

The solidified wastes from power reactors can be handled by permanent storage in underground salt beds, or in other stable geologic formations which have been isolated from the environment for hundreds of millions of years. No management will be necessary by future generations.

MYTH.

"A pound of plutonium could kill 9 billion people and a speck will cause lung cancer."

FACT.

If this were true, we would all be dead. Atmospheric testing of nuclear weapons prior to 1963 has put 10,000 pounds of plutonium into the environment.

MYTH.

"A few pounds of stolen plutonium could be used to make a nuclear bomb."

FACT.

Although it would be a very complex operation, we cannot ignore the fact that plutonium could be used for nuclear blackmail. It is also true that the amount of plutonium will increase. Even if the US were to halt its nuclear power industry, other nations would not. The worldwide task is to safeguard nuclear material, not to prevent its use.

FACT.

Almost all of the radioactive waste now in storage is from nuclear weapons production. Even this old, high level liquid waste is being solidified for easier, safer handling and storage.

MYTH.

"Plutonium is the most deadly substance on earth, and its generation and use is an unprecedented danger to mankind."

FACT.

Plutonium, a by-product of nuclear power, is a potentially dangerous substance and must be handled with care. However, there are many other potentially dangerous substances on earth, such as radium, botulinus toxin, strychnine, cyanides, etc. None of them cause harm unless taken into the body in sufficient amounts. The amount of plutonium that enters the environment from the nuclear power industry is miniscule and no cause for concern.

MYTH.

"We have less than a 40-year supply of nuclear fuel — why should we spend a fortune on nuclear power that will be useless in 40 years?"

FACT.

High grade, easily obtainable uranium is in limited supply. However, there are vast deposits of lower grade uranium; this, used in combination with plutonium, a by-product of today's light water reactors, can be used as fuel in breeder reactors. The breeders use uranium fuel with 100 times the efficiency of present reactors. This, plus the ability of the breeders to generate more fuel than they consume, ensures a continual supply of fuel for centuries.

MYTH.

"Nuclear power plants are so dangerous that they can't be insured."

FACT.

Every U.S. nuclear plant is insured, partly by private insurance company pools and partly by the government. Because they have never had to pay a claim, the insurance pools have annually refunded about 75% of the premiums to the nuclear utilities. Private insurance has been assuming an increasing share of the coverage and will eventually make it unnecessary for the government to participate in the insurance.

MYTH.
 "Nuclear power is uneconomical and unreliable."

FACT.
 Every time a nuclear power plant goes into operation, electric bills go down. Although the plants cost more to build, nuclear fuel is cheaper than fossil fuel. Utility customers saved \$800 million in 1974 by using nuclear power.

The first 3 months of 1975, average capacity factor for nuclear plants was 72.3% for oil-fired plants, 42.9% for coal plants, 56.6%.

These, then, are some of the myths about nuclear power that are very difficult to put to rest.

There are those who choose to measure progress by its moments of darkness and terror. There are others who measure the same moments by developments which bring light and promise. It was the same when man discovered fire. Some saw the flames and feared death. Some felt the warmth and knew that it was useful.



CIRCULATION OF "SHEDDING LIGHT"OUTSIDE CALIFORNIA

Twenty-one percent of the copies of "Shedding Light" were circulated outside of California to organizations in six States. We looked at the pamphlet's initial distribution, distribution of other Performance Awareness Program material, and the number of employees of Liquid Metal Fast Breeder Reactor contractors participating in the Awareness Program in these six States to determine if a disproportionate number of pamphlets were also sent to these participants and if they redistributed the pamphlet.

As was the case in California, participants in each of the six States received more copies of "Shedding Light" than could reasonably be expected based on the number of employees participating in the program and distribution of other Awareness Program materials. In some instances, copies were sent to organizations in States which did not have any participating contractors but did have ERDA employees participating in the program.

PENNSYLVANIA

All copies of "Shedding Light" distributed in Pennsylvania went to two divisions of the Westinghouse Electric Corporation. This included 4,800 copies to the Westinghouse-Advanced Reactor Division, a participant in the Awareness program, and 5,400 copies to the Westinghouse-Nuclear Energy Systems, which is not participating in the Performance Awareness Program.

The Westinghouse-Advanced Reactor Division distributed about 1,800 copies either directly to or upon the request of its employees. The remaining 3,000 were sent to Westinghouse-Nuclear Energy Systems. In addition, Westinghouse-Nuclear Energy Systems received 5,400 copies directly from HEDL. Copies were distributed to its employees and various non-nuclear groups. Detailed records were not kept of this redistribution but, according to one industry official, copies were provided to such groups as U.S. Reserve units, high school classes, church groups, doctors' offices, and senior citizen groups.

WASHINGTON STATE

HEDL distributed copies of "Shedding Light" in Washington among its employees and to other organizations.

Distribution in Washington State

<u>Organization</u>	<u>Copies</u>
HEDL	3,100
United Nuclear Industry	1,400
Sheet Metal Union	1,800
ERDA's Richland Operations Office	<u>600</u>
Total	<u>6,900</u>

Distribution at HEDL included providing copies to HEDL and ERDA employees and to visitors to the facilities.

Both the United Nuclear Industry and the Sheet Metal Union redistributed copies to their own employees and several other nonnuclear organizations. Distribution from the United Nuclear Industry included 800 to employees; 400 for a student tour of the Washington Public Power supply system and 200 based on additional requests by its employees. Distribution by the Sheet Metal Union included its own members, other local craft unions in Washington and Oregon, and at a building trade meeting for its members.

Of the copies HEDL sent to the Director of Public Affairs, Richland Operations Office, 50 were distributed to individuals who requested information on nuclear power, 100 to an engineering firm, and 50 at a Western State Methodist Church Convention. The remaining 400 copies were sent back to HEDL.

NEW JERSEY

Burns & Roe-Breeder Reactor Division is a participating contractor in ERDA's Performance Awareness Program. According to the contractor program manager, 1,200 copies were received for distribution among contractor employees and employees within other divisions of Burns & Roe. However, only 350 copies were distributed. The remaining copies, as of June 17, 1976, had not been distributed.

ILLINOIS

ERDA's Chicago Operations Office is one of the few ERDA offices which receives routine distribution of Awareness Program newsletters. According to ERDA officials, about 280 of the 1,400 copies received by that office were distributed to ERDA employees. Some copies were distributed at speeches made by ERDA officials, and a few in answering requests. About 800 are still on hand.

ERDA'S DIVISION OF REACTOR DEVELOPMENT
AND DEMONSTRATION, WASHINGTON, D.C.

In addition to managing the Awareness Program, RDD distributes Awareness Program materials among ERDA employees and responds to individual requests for Awareness Program materials. RDD distributed about 900 of the 1,200 copies it received. Most of these copies were distributed to ERDA employees and congressional staff. A few copies were also distributed to private industry and, upon request, to the Canadian Broadcasting Corporation, the British embassy, universities, and the New Yorker Magazine.

TENNESSEE

ERDA's Technical Information Center and the Clinch River Breeder Reactor Program Information Center each received 200 copies of "Shedding Light." The Technical Information Center officials said copies were distributed only within the Center and 25 copies are on hand.

A Clinch River Breeder Reactor official said that they did not distribute any copies.



UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WASHINGTON, D.C. 20545

SEP 22 1976

Mr. Monte Canfield, Jr., Director
Energy and Minerals Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Canfield:

Thank you for the opportunity to comment on your recent draft report entitled, "Evaluation of the Circumstances Surrounding the Publication and Distribution of 'Shedding Light'."

The "Shedding Light" pamphlet was created for ERDA by the Hanford Engineering Development Laboratory (HEDL) as part of an ongoing Performance Awareness Program for LMFBR employees. This program is designed to stimulate improvement in employee performance and productivity by stressing the importance of teamwork in meeting work related goals and objectives. The pamphlet is only one element of the entire Performance Awareness Program. Other important aspects of the program which have been well received by contractor employees include an employee recommendation for improvement element which has resulted in increased efficiencies and substantial cost savings to the LMFBR program.

We have reviewed the draft with members of your staff and we understand that a number of changes and clarifications which we suggested will be made. However, there are several residual matters which we wish to comment upon.

The Cover Summary of the report states that "in some cases, the pamphlet was used in an attempt to influence voters in California." This implies a deliberate action by ERDA to intentionally influence voters and gives the reader an incorrect impression of the facts. Moreover, it is inconsistent with GAO's own conclusion stated on pages 44 and 45 of the Report that there was "no evidence that ERDA made a conscious effort to distribute copies to intentionally defeat the referendum." The Cover Summary should accordingly be changed to conform with the conclusions of the GAO report.

We feel that paragraph 1 of the Digest is inappropriate since the stated purposes of the GAO audit and the report are concerned with the printing and distribution of an ERDA pamphlet and not with the



Mr. Monte Canfield, Jr.

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controversy over nuclear power or upcoming state anti-nuclear initiatives. It is suggested that paragraph 1 be deleted or replaced with an overview of the creation of "Shedding Light" as a part of the Performance Awareness Program (similar to what is contained on page 3 of the report).

ERDA takes strong exception to the characterization by GAO of "Shedding Light" as being "propaganda" (pages iii and 11). The use of this term connotes deliberate intent on the part of ERDA to misrepresent the facts and to purposely deceive the readers. "Shedding Light" was intended to be a brief summary of information on nuclear power. It was not intended to offer a complete discussion of all aspects of the issues. LMFBR program employees have access to other documents which provide a more detailed description of the issues treated in the pamphlet. ERDA has acknowledged that the pamphlet does not discuss all aspects of each controversial issue relating to nuclear energy. However, ERDA believes that the pamphlet contains no misstatement of fact.

A summary response to the three "facts" specifically questioned by GAO in the report is given below:

a. Safety Systems

GAO takes issue with the pamphlet's statement that "Safety systems are tested periodically to assure that they will work if needed." This statement is based on the Nuclear Regulatory Commission's requirement that all safety systems must be periodically subjected to certain readiness tests to insure that these systems are operable and can be actuated when needed. Meeting these requirements is a necessary prerequisite for operating a commercial reactor. In regard to the emergency core cooling system (ECCS) mentioned by GAO in the report, the readiness for response of both the ECCS's active and passive systems is tested regularly in commercial plants to assure that they will deliver emergency coolant when needed. Obviously, a double-ended pipe rupture or similar catastrophic accident has not been deliberately created in an operating commercial plant to verify that the ECCS works under extreme accident conditions, and it is unrealistic to imply that it should be, or ever will be, tested in that way in an operating commercial plant. The current and future Loss of Fluid Test series of tests will come as close to testing the ECCS as will probably ever be done--short of an accident in an operating commercial plant.

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b. Waste Disposal

GAO disagrees with the pamphlet's statement that "no management will be necessary by future generations." GAO's comments appear to hinge specifically on the definition of "management." ERDA's statement is based on the concept of placing solidified waste in underground vaults and then sealing these vaults to make them inaccessible. ERDA believes the statement that "no management" of these wastes, once so isolated, is reasonable and fair.

c. Insuring Nuclear Plants

GAO takes issue with the pamphlet's statement that "private insurance has been assuming an increasing share of the coverage and will eventually make it unnecessary for the Government to participate in the insurance." ERDA believes that this is a reasonable paraphrase of current and foreseeable circumstances. Private insurance coverage has increased from an initial \$60 million to \$125 million, while the Government's contingent liability has decreased from \$500 to \$435 million. The thrust and intent of the Price-Anderson extension was to implement a program for phasing out the Government's role. The Nuclear Regulatory Commission has been given responsibility for implementing the program, with the expectation that, as indicated above, private coverage will increase and Government liability will decrease so that the Government will eventually have no share in the liability. Further, GAO does not mention the apparent willingness of the industry to assume the full liability over a reasonable period of time, nor does it mention that the pamphlet's statement is consistent with Congressional intent.

ERDA disagrees with GAO's inference that the number of copies of "Shedding Light" printed was influenced by ERDA's desire to distribute the pamphlet to the public. At the time the pamphlet was prepared, contractor participation in the Performance Awareness Program was expanding. In addition to the participation of the major contractors, the feasibility of expanding the program to numerous subcontractors was considered. Since future program requirements for communicational material of this sort was uncertain, ERDA ordered a quantity that would be adequate to meet program demands in the most economical manner. ERDA originally considered printing 65,000 copies of the pamphlet; however, GPO advised that an additional 35,000 would, on an incremental

Mr. Monte Canfield, Jr.

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unit cost basis, be substantially lower. Assuming that the pamphlet would be of use over an extended period of time, it was decided to have one bulk printing of 100,000 copies.

With respect to GAO's question as to whether the pamphlet was needed in view of its previous publication in a newsletter, we note that accepted communication practices dictate the use of parallel systems for information dissemination to better assure that the information reaches the intended audience.

As indicated by GAO however, ERDA did not strictly control the number of pamphlets sent to each ERDA office and contractor such that initial distributions were, in some cases, disproportionate with Performance Awareness Program needs at the time of distribution. ERDA is currently analyzing its review and distribution procedures for Awareness Program materials to insure that future distribution of material is proportionate to existing needs.

In summary:

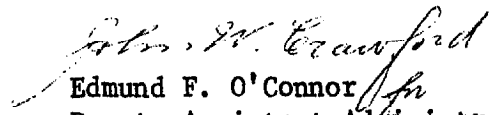
- a. ERDA has concluded that the first printing of the pamphlet has met the current program needs and therefore has no plans for further printing or distribution of "Shedding Light."
- b. With regard to GAO's recommended actions by ERDA, we have at this time collected almost 15,000 undistributed copies of "Shedding Light" in the states of California and Washington. Collection of some 1,500 copies in other locations is currently underway.
- c. ERDA is currently reviewing its procedures for the review and distribution of material for the Performance Awareness Program to determine the extent to which revisions or supplements may be required. ERDA recognizes the need for controls of program material, but at the same time believes that such controls must be sufficiently flexible to avoid becoming burdensome to program participants, thus discouraging their full participation in all program elements.

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[See GAO note.]

Sincerely,


Edmund F. O'Connor
Deputy Assistant Administrator
For Nuclear Energy

GAO note: Material has been deleted because
of changes to final report.

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