

Offshore Power Systems

8000 Arlington Expressway
Box 8000, Jacksonville, Florida 32211

904-724-7700
Telex: 568406

March 1, 1983

Mr. D. G. Eisenhower, Director
Division of Licensing
Office of Nuclear Reactor Regulation
United States Nuclear Regulatory Comm.
Washington, DC 20555

Re: Docket No. STN 50-437
Nuclear Waste Policy Act of 1982

Dear Mr. Eisenhower:

We are in receipt of NRC Generic Letter 83-07 which notifies Offshore Power Systems of the requirements of the Nuclear Waste Policy Act of 1982, specifically Section 302(b).

For the reasons stated below, we do not believe that the Act requires Offshore Power Systems, as a Manufacturing License holder, to enter into a waste disposal contract with the Department of Energy.

1. Section 302(a) is limited to "... any person who generates or holds title to high level radioactive waste or spent fuel..." (emphasis added). The Manufacturing License does not authorize Offshore Power Systems to possess such materials, nor does it permit their generation.
2. Section 302(b)(1)(A) places restrictions on the future NRC issuance or renewal of licenses "... to any person to use a utilization or production facility under the Authority of Section 103 or 104 of the Atomic Energy Act..." (emphasis added). The use of a Floating Nuclear Plant (a utilization facility) is not authorized by the Manufacturing License.
3. Section 302(b)(1)(B) gives the NRC discretionary authority to require that licensees enter into a waste disposal contract for the disposal of "... high level radioactive waste and spent nuclear fuel that may result from the use of such license." Since

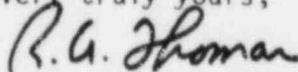
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3. Cont'd.

no such material will result from the use by
OPS of the Manufacturing License, the NRC
should not exercise its discretionary authority
to require a waste disposal contract.

We would appreciate written confirmation of our
understanding. Unless advised to the contrary,
we plan no further action on this matter.

Very truly yours,



R. A. Thomas, Manager
Offshore Power Systems

cc: V. W. Campbell
E. P. Rahe
D. H. Walker