



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

December 9, 1996

Mr. Robert M. Quillin, Chair
Organization of Agreement States
Radiation Control Division
Colorado Department of Public Health
and Environment
4300 Cherry Creek Drive South (RCD-DO-B1)
Denver, CO 80222-1530

Dear Mr. Quillin:

Thank you for your letter of October 3, 1996, to Chairman Jackson and the expressions of appreciation contained therein. We agree with your comments on the value of the Integrated Materials Performance Evaluation Program (IMPEP), the effectiveness of NRC/Agreement States Working Groups, and your proposal to invite State representatives of Working Groups to participate in monthly NRC/OAS teleconferences. Your letter also contains comments and concerns of the Organization of Agreement States (OAS) that are addressed below.

You state that the number one issue is funding for training of Agreement State staff and you included with your letter an OAS resolution on training. This concern was also highlighted in the November 14, 1995 OAS letter to the Chairman. As the Chairman stated in the December 18 response, this complex issue will be considered as part of the NRC's Strategic Assessment and Rebaselining Initiative. It is covered in Direction Setting Issue (DSI) Paper 4, NRC's Relationship with Agreement States. The evaluation of DSI 4 will consider the OAS resolution and the questions you raise regarding reciprocity fees paid by Agreement State licensees, low-level waste surcharges paid by NRC licensees not supporting low-level waste sites, and fees paid by NRC power reactor licensees in Agreement States.

In response to your request for fee information, the Office of the Controller provided the following information. The NRC collected approximately \$454 million in fees in FY 1996. Approximately \$242 million was collected in fees from licensees and applicants having a billing address in Agreement States during FY 1996. Of this amount, approximately \$49.6 million was collected in accordance with 10 CFR Part 170 and \$192.4 million was collected for annual fees (10 CFR Part 171). Included in the above figures was \$225,600 collected for reciprocity.

We are pleased that the OAS participated in the Strategic Assessment and Rebaselining public meetings conducted by NRC. NRC found the October 23, 1996, NRC/Agreement State Regulators' Meeting to discuss selected Issue Papers to be particularly beneficial. We acknowledge receipt of your October 21, 1996, letter transmitting OAS comments on the Direction Setting Issue Papers.

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In addition, we appreciate receiving comments on proposed rules and policies. The comments transmitted with your letter that recommend revisions to the Final Policy Statement on Adequacy and Compatibility of Agreement State Programs will be considered as the policy statement is revised for Commission approval. Further, attached to your letter was a unanimous OAS motion that opposed the NRC rulemaking on the Unauthorized Use of Licensed Radioactive Material and requested that it be assigned a division 3 level of compatibility if implemented by the NRC as currently written. The Commission will be informed of your position as they review this rulemaking.

In your letter you question the future commitment of NRC to fund travel of the OAS Executive Board. Based on our analysis, NRC's budget for Fiscal Year 1997 is sufficient to fund Executive Board travel for the same purposes as in prior fiscal years. Any possible deviation from NRC funding of Executive Board travel for the same purposes as in prior years will be addressed on a case-by-case basis.

We look forward to a continued effective working relationship between NRC and the OAS. We congratulate Roland Fletcher on being selected as the OAS Board Chair-Elect and note that we have enjoyed working with you, former Chair Terry Strong, and all other members of the Executive Board this past year.

Sincerely,



Richard L. Bangart, Director
Office of State Programs

cc: Roland Fletcher, Chair-Elect
Organization of Agreement States

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Sincerely,

Original Signed By:
PAUL H. LOHAUS

for Richard L. Bangart, Director
Office of State Programs

cc: Roland Fletcher, Chair-Elect
Organization of Agreement States

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as the policy statement is revised for Commission approval. Please note, however, the attached statements from NRC's General Counsel that were made during the August 2, 1993, Hearing Before the Environment, Energy, and Natural Resources Subcommittee of the House of Representatives Committee on Government Operations.

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Finally, pursuant to our commitment to list action items from the 1996 Annual Agreement States Meeting, please find enclosed a listing of 17 items that NRC committed to address. You will note that action has already been completed on some items. We welcome the receipt of any additional items that OAS believes should be added to the listing. NRC will periodically provide updates to Agreement States as the actions are completed.

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Enclosures:
As stated

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