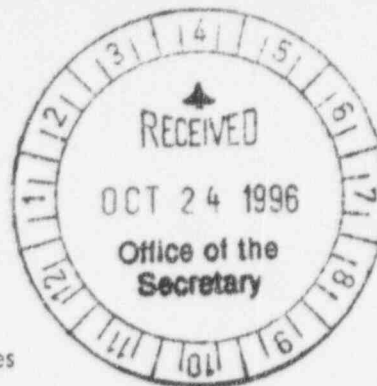




Organization of Agreement States



DSI-5

(4)

Robert Quillin, Chair  
Richard A. Ratliff, P.E., Past Chair

Roland Fletcher, Chair-Elect  
Thomas Hill, Secretary

October 21, 1996

Mr. John C. Hoyle  
Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
Attn: Chief of Docketing and Services Branch  
Washington, D.C. 20555-0001

Dear Mr. Hoyle:

As you know, there are currently 29 states that have entered agreements with the NRC under Section 274 of the Atomic Energy Act of 1954. The agreement state program is an excellent example of the ability of states to conduct regulatory programs in an effective and efficient manner. The Organization of Agreement States (OAS) provides a vehicle for Agreement States to interact on common issues that affect individual states or all 29 Agreement States.

The OAS has received comments from individual Agreement States on the Direction Setting Issue Papers issued as part of the NRC's Strategic Assessment of Regulatory Activities. These comments have been summarized for each of the Direction Setting Issue Papers and are attached for consideration in this matter. Many of the individual Agreement States will provide state specific comments as well.

If you have any questions, please contact me.

Sincerely,

*Richard A. Ratliff for*

Robert Quillin, Chair  
Organization of Agreement States  
Radiation Control Division  
Department of Health  
4300 Cherry Creek Drive South  
Denver, Colorado 80222-1530

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## DIRECTION SETTING ISSUE 10

### *"REACTOR LICENSING FOR FUTURE APPLICANTS"*

#### **Issue**

Given the current environment, what should the Commission's policy be on future reactors?

#### **Preferred Option**

Option 3 -- This is the option to pursue. Finish the job on the ABWR and System 80+ through the rulemaking while the resources are still available; then drop the project until the prospects improve substantially for an order for a new plant. If this prompts an eminent domestic order, get a commitment and proceed to Option 4. The certification process for new designs currently being considered is for the benefit of the manufacturers by aiding them in selling their designs to foreign countries. From a political standpoint this might make sense, but the NRC is not supposed to be in the business of promoting nuclear power either here or abroad. It appears that the economic and political environments in this country will preclude the sale of any new nuclear power reactors in this country for a long time. Unless the Congress and the Administration want to keep the nuclear energy option open for the United States in the near term and are willing to subsidize the building of new plants and facilitate the opening of new LLRW disposal sites, it does not make sense for the NRC to expend resources on new reactor designs or testing the siting permit process, especially in the view of the present deregulation movement.