



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

NRC PDR

50-437

JUN 19 1980

Mr. Clanzel T. Brown
Jacksonville Urban League, Inc.
829 Pearl Street
Jacksonville, Florida 32203

Dear Mr. Brown:

Your recent letter of April 7, 1980 to Jack H. Watson, Jr., Assistant to the President for Intergovernmental Affairs, has been forwarded to me. I am pleased to respond to the matter discussed in your letter.

As you know, the President continues to support the use of safe nuclear power while at the same time, the nation seeks to develop alternative energy sources. Since 1973, the Nuclear Regulatory Commission has been actively reviewing the application by Offshore Power Systems to manufacture up to eight floating nuclear power plants at its manufacturing facility located on Blount Island. These plants would be manufactured by many skilled workers from the black community trained at various local centers in and around Jacksonville, Florida, by Offshore Power Systems. We heartily support these endeavors.

We have not yet made a final decision regarding the granting of a manufacturing license to Offshore Power Systems. As you recognize, the Three Mile Island accident in March 1979 has had a measurable effect on the licensing process. We are now considering the effects and licensing requirements stemming from the Three Mile Island accident in our review of the Offshore Power Systems manufacturing license application as well as for near term construction permit applications. Once this matter is resolved, we feel that we can complete our review of the floating nuclear plant. The Commission will not take any action on granting the license until: a) we complete our review, b) the Advisory Committee on Reactor Safeguards makes a finding regarding the safety of the proposed floating nuclear plant design and c) the Atomic Safety and Licensing Board authorizes the issuance of the license following the

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Mr. Clanzel T. Brown

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closing of safety and environmental hearings. Subsequently, additional public hearings will be scheduled followed by a Commission decision on the issuance of a manufacturing license. Specific dates are not available at this time for indicated actions. Current resources are being applied to the operating reactors and near term operating license activities.

We trust this information will prove useful to you.

Sincerely,

Original Signed by
H. R. Denton

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

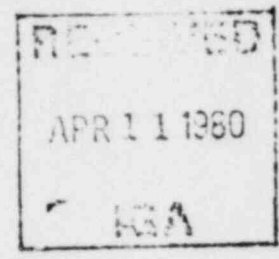
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Jacksonville Urban League, Inc.

829 PEARL STREET JACKSONVILLE, FLORIDA 32202
(904) 356-8336

CLANZEL T. BROWN
PRESIDENT

April 7, 1980



Mr. Jack Watson, Special Assistant
To The President
Office of Intergovernmental Affairs
The White House
Washington, D.C.

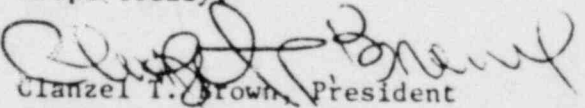
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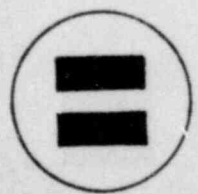
Dear Mr. Watson:

As you are aware, 25% of the population of Jacksonville is black. Although unemployment among these blacks is not unusually high, great numbers of them are underemployed. Offshore Power Systems (OPS) was organized in Jacksonville in 1972 to design and build Floating Nuclear Plants (FNPs). (See the attachment to this letter for a description of the status of the FNP project.) OPS has consistently maintained a commitment to employ blacks in skilled, well-paying jobs. In this connection, the company was instrumental in establishing various local centers to train the many skilled workers which will be needed by OPS and other area firms.

If the FNP can become a reality, it would be a great national asset. Not only would Jacksonville and the state of Florida benefit from job opportunities, an increased tax base and generally upgraded economy, but the nation as a whole would benefit, the FNP is one excellent way to reduce our severe dependence on imported oil and assure a reliable, economic and safe supply of energy. The FNP can replace some existing generating stations that now burn oil or gas to produce electricity. The prelicensed, standardized design of the FNP, combined with its assembly-line factory manufacture, will result in reduced lead time to commercial operation. The FNP, therefore, allows the nuclear option to be considered in those cases where schedule constraints would not allow time for a land-based nuclear plant to be constructed.

I would appreciate your support for this vital project. The FNP project needs and deserves the explicit support of the Carter administration. If you would like additional information on this matter, please contact me.

Respectfully,

Clanzel T. Brown, President
Jacksonville Urban League



CTB/dp
ATTACHMENT



ATTACHMENT

STATUS OF FLOATING NUCLEAR PLANT PROJECT

Offshore Power Systems (OPS), a subsidiary of Westinghouse Electric Corporation, was organized in 1972 to design and manufacture standardized Floating Nuclear Plants (FNPs) which are intended to be sited in areas removed from their place of manufacture: -- offshore, nearshore, in estuaries or major rivers. The partially completed OPS manufacturing facility, representing an investment to date of about \$150 million, is located on Blount Island in the St. Johns River. The OPS Manufacturing License Application was docketed by the Nuclear Regulatory Commission over six years ago, in July, 1973. The FNP licensing process is nearly complete, but is stalled by the licensing pause which has been in effect since the accident at Three Mile Island. Public Service Electric and Gas Company of New Jersey originally had contracted with OPS for the purchase of four FNP's, but subsequently, the orders were twice delayed and finally cancelled due to reduced electrical load growth in New Jersey. OPS is active in the marketplace, but currently has no FNP customers. The present employment level of about 170 people (down from a previous peak of 760) is supported by Westinghouse corporate funds as well as miscellaneous small engineering contracts with various firms.

THE WHITE HOUSE

WASHINGTON

May 16, 1980

Dear Mr. Brown:

Thank you for your letter regarding the Offshore Floating Nuclear Plant project.

The President continues to support the use of safe nuclear power while we develop alternative energy resources and appreciates the effects the FNP would have on employment in our nation's black communities. Decisions on specific commercial projects, however, are up to the private sector with the approval of the Nuclear Regulatory Commission.

I have taken the liberty of forwarding a copy of your letter to the Chairman of the NRC; he will provide you with a status report on the FNP project and any information on future developments.

Thank you for taking the time and trouble to write.

Warm regards.

Sincerely,

Jack H. Watson, Jr.
Assistant to the President
for Intergovernmental Affairs

Mr. Clanzel T. Brown
President
Jacksonville Urban League, Inc.
829 Pearl Street
Jacksonville, Florida 32202

sent cc and copy wire to NRC