



Department of Energy
Washington, D.C. 20545

MAR 2 1981

Mr. William Dircks
Executive Director for Operations
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Dircks:

The enclosed correspondence from the Oklahoma Association of Electric Cooperatives has been directed to the Department of Energy. The contents indicate that the entirety of Resolution 9 and a substantial portion of Resolution 10 fall within the purview of the Nuclear Regulatory Commission. Accordingly, we are forwarding a copy to you for consideration along with a copy of our reply.

Sincerely,

Thomas A. Dillon
Deputy Assistant Secretary
for Nuclear Reactor Programs
Office of Nuclear Energy

3 Enclosures:
Incoming Correspondence,
January 22, 1981
"Resolutions 9 and 10,"
January 14, 1981
Letter, Dillon to Birdwell

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OKLAHOMA ASSOCIATION OF ELECTRIC COOPERATIVES

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TENYS PARR, President • Lindsay, Oklahoma
B. DEAN SANGER, Vice-President • Vinita, Oklahoma
RALPH WILSON, Secretary • Hulbert, Oklahoma
HARRY W. BIRDWELL, General Manager

January 22, 1981

President Ronald Reagan
White House
Washington, D.C.

Dear President Reagan:

The delegates to the Oklahoma Association of Electric Cooperatives annual meeting on January 14 voted to approve the following Resolutions dealing with streamlining of nuclear plant licensing and further development of nuclear power. We will appreciate your favorable reaction to these Resolutions.

Sincerely,

Harry Birdwell
General Manager

HB/nc
Encl.

II. FEDERAL LEGISLATION (Continued)

RESOLUTION 7 - Urge Rejection of Heritage Foundation ... (Continued)

BE IT FURTHER RESOLVED that we express to Congress our feeling that the Federal Power Marketing program is an eminently sound means of disposing of federal power in a manner which maximizes the benefits to the consumers of this Nation.

BE IT FURTHER RESOLVED that we direct copies of this Resolution to the Oklahoma Congressional delegation.

RESOLUTION 8 - Encourage Adequate REA Loan Programs

WHEREAS the Rural Electric Cooperatives can meet their responsibility only if they are able to obtain a large and growing volume of capital resources, and

WHEREAS the REA insured and guaranteed loan programs provide the greater portion of the capital supply for the Nation's RECs, and

WHEREAS Director-Designate of the Office of Management and Budget, David Stockman, has indicated an opposition to programs which utilize the FFB;

NOW THEREFORE BE IT RESOLVED by the delegates to the 39th annual meeting of the Oklahoma Association of Electric Cooperatives that we urge the members of Congress and the Reagan Administration to continue the REA loan programs since they are essential to the good health of Rural Electrification and that the insured loan demand for 1981 will continue to reflect the need for a vigorous program;

BE IT FURTHER RESOLVED that we stress the need for the guaranteed loan program which provides funding for generation facilities without direct cost to the Federal budget through a favorable agreement with the Federal Finance Bank, at market rates of interest. Be it noted that any costs to the government are more than off-set by the interest surcharge imposed by the FFB. Finally,

BE IT RESOLVED that we do all within our power to influence the Administration to recommend the continuation of the REA loan programs at a level consistent with the needs of the program. A copy of this Resolution shall be directed to the Oklahoma Congressional delegation.

III. FEDERAL POLICIES

RESOLUTION 9 - Urge Streamline of Nuclear Plant Licensing

WHEREAS the process of securing construction permits for nuclear generation facilities has become overly burdensome, and

WHEREAS during the past 18 months the process has become

all but unmanageable, and

WHEREAS many of the Nation's utility construction programs are at virtual standstill because construction permits for nuclear facilities have not been issued, causing great delay and cost escalations, and

WHEREAS we believe the nuclear alternative must play a significant role in this country's electrical generation capacity, and

WHEREAS the use of nuclear fuel provides significant cost benefits to ratepayers over other conventional fuel sources;

RESOLUTIONS -6-
January 14, 1981

III. FEDERAL POLICIES (Continued)

RESOLUTION 9 - Urge Streamline of Nuclear Plant Licensing (Continued)

NOW THEREFORE BE IT RESOLVED by the delegates to the 39th annual meeting of the Oklahoma Association of Electric Cooperatives assembled this 14th day of January, 1981 that we continue to encourage the Nuclear Regulatory Commission and the National Administration to streamline the process of nuclear plant licensing;

BE IT FURTHER RESOLVED that we call on the Nuclear Regulatory Commission to quickly consider and grant a full construction permit for Black Fox Station.

RESOLUTION 10 - Urge Further Development of Nuclear Power

WHEREAS this Nation's concern over energy availability, and predictions of pending shortages require that we utilize every available energy alternative, and

WHEREAS we believe that nuclear fuel constitutes one of the most immediate and useful sources of energy, and

WHEREAS we believe that the safety of nuclear power has been adequately established;

NOW THEREFORE BE IT RESOLVED by the delegates to the 39th annual meeting of the Oklahoma Association of Electric Cooperatives assembled this 14th day of January, 1981 that we reiterate our support for the development of nuclear power including light water reactors, the breeder reactor and nuclear fuel reprocessing;

BE IT FURTHER RESOLVED that we urge President-Elect Reagan to fill appointments on the Nuclear Regulatory Commission with those who advocate a pro-development philosophy;

BE IT FINALLY RESOLVED that we continue our efforts to pursue a construction permit for the Black Fox Station near Inola, Oklahoma.

RESOLUTION 11 - Urge Reconsideration of Requiring EIS Statements on Certain Transmission and Distribution Line Construction

WHEREAS the REA at the insistence of the Council on Environmental Quality (CEQ) has begun to require environmental reports (impact reports) on the construction of transmission lines below 230 kilo volts and on new distribution lines, and

WHEREAS we believe requiring impact statements on distribution line exceeds the intent of REA Bulletin 20-21 which states Environmental Impact Statements will be required on "electrical transmission lines and associated equipment designed for or capable of operations at normal voltage of 230 kilo volts or more", and

WHEREAS the requirement of Environmental Impact Statements

delays, and
position of delaying service, and

WHEREAS investor-owned utilities are not required to make costly and time consuming environmental reviews before extending service lines, and

WHEREAS delays can cost jobs and industries may be discouraged by locating in rural areas because of time delays, and

WHEREAS the requirement of Environmental Impact Statements deny RECs the ability to add stable loads to their systems;



Department of Energy
Washington, D.C. 20545

MAR 2 1981

Mr. Harry W. Birdwell
General Manager
Oklahoma Association of Electric Cooperatives
2325 N.E. Expressway, Post Office Box 11047
Oklahoma City, Oklahoma 73136

Dear Mr. Birdwell:

Your letter regarding resolutions dealing individually with nuclear plant licensing and nuclear power development was forwarded to this office for consideration. Inasmuch as matters pertaining to the licensing, construction, and operation of nuclear power plants are under the cognizance of the Nuclear Regulatory Commission, we are forwarding a copy of your letter to them for appropriate action with respect to the majority of the contents of Resolutions 9 and 10.

We in the Office of Nuclear Energy share your enthusiasm for the further development of safer, more efficient, more economical, and more readily acceptable methods of producing nuclear-electric energy.

One of the most important things we can do to help solve our Nation's energy problem is to get the nuclear industry back on track again. To do so will require a stable and predictable licensing environment. Therefore, the Department of Energy will support activities to provide for streamlined licensing and siting of nuclear power plants. However, the nuclear industry's problems (as illustrated by 44 reactors canceled in the last 4 years) cannot be attributed solely to an uncertain regulatory environment. Inflation, with its associated increases in the cost of capital, and diminished load growth forecasts have led to criticism and curtailment of utilities' plans for expansion. It is, therefore, imperative that we accurately assess our electrical requirements for the future in order to prevent low electrical growth projections from becoming self-fulfilling prophecies. The Nation cannot afford a shortfall in electricity and maintain a healthy economy. Thus, the President's determination to bring inflation under control is a vital ingredient in revitalizing our nuclear industry.

It is clear that a vigorous and balanced nuclear technology program will be required to meet our energy needs. I anticipate that this program, when fully formulated, will involve a major effort to close the light water reactor fuel cycle, put in place the reprocessing activity required to support a breeder reactor development program, and work towards developing the technology to

close the breeder fuel cycle. Thus, I believe, we will set in motion the effort to regain our lead in nuclear technology and restore confidence in our commitment to rely on nuclear energy as a major contributor to our future energy supply.

Thank you for your continued interest in our program.

Sincerely,

151

Thomas A. Dillon
Deputy Assistant Secretary
for Nuclear Reactor Programs
Office of Nuclear Energy

Enclosure:
Letter, Dillon to Dircks, NRC