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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 27, 2000

CHAIRMAN

Madam Phumzile Mlambo-Ngcuke
Minister of Minerals and Energy
Private Bag X59
Pretoria 0001
South Africa

Dear Madam Mlambo-Ngcuke:

During the week of February 14, 2000, a team led by the Department of Energy (DOE) Office of Nuclear Energy, Science and Technology, and including experts from DOE, the Nuclear Regulatory Commission (NRC), the Department of State, and the Idaho National Engineering and Environment Laboratory, visited South Africa to evaluate Eskom's Pebble Bed Modular Reactor (PBMR) project. I am writing to you concerning the regulatory component of the visit. It is my understanding that U.S. Secretary of Energy Bill Richardson is separately communicating with you about the Department of Energy's views.

The Commission believes that if the PBMR project should proceed, our governments might benefit by working together to develop a technology neutral regulatory approach to licensing the construction and operation of advanced reactors, such as the PBMR. The NRC is presently instituting "risk-informed performance-based licensing" to operating power plants. This is an approach similar to that which the South African Council on Nuclear Safety (CNS) intends to apply to licensing the PBMR. Depending on the identification of sources of funding, it could be useful to cooperate and exchange information on developments in this area, thereby expanding both countries' base of experience.

We welcomed the opportunity to have NRC represented on the U.S. team for its visit to South Africa's nuclear technology organizations. The Commission believes that, consistent with our existing NRC-CNS bilateral nuclear technical exchange arrangement, we can work together on the regulatory program for the development of the PBMR project. We believe that such cooperation would be in keeping with the growing and mutually beneficial relationship between the United States and the Republic of South Africa.

Sincerely,

Richard A. Meserve

cc: The Honorable Bill Richardson
Secretary of Energy