August 31, 1999

MEMORANDUM TO: Karen D. Cyr
                   General Counsel

                   William D. Travers
                   Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary   /s/

SUBJECT: STAFF REQUIREMENTS - SECY-99-165 - FINAL STANDARD
                   REVIEW PLAN REGARDING FOREIGN OWNERSHIP,
                   CONTROL, OR DOMINATION OF APPLICANTS FOR REACTOR
                   LICENSES

The Commission has approved the final Standard Review Plan (SRP) regarding foreign ownership, control, or domination of applicants for reactor licenses. The Commission has also approved of the staff publishing the responses to the comments received on the draft SRP in the *Federal Register*.

The staff should clarify its understanding of NEI's comment regarding a foreign entity owning a share of a nuclear power plant. Specifically, staff should replace the third sentence of the response ("However, ..." beginning on the fifth line, last full paragraph p. 2 of SECY-99-165) with the following:

> However, the intent of NEI's comment that a foreign entity "should be allowed to own a significant share of a nuclear power plant" is not entirely clear. If NEI is suggesting that a foreign entity may become a *direct* owner of a substantial percentage of the facility, its position would not appear to be consistent with the Commission's interpretation of the statute, even if the foreign entity is only a co-owner.

At the end of the second full paragraph of page 5 of the SRP, add the following footnote:

> In any event, a license would not be issued to any person if the Commission found that issuance would be inimical to the common defense and security or the health and safety of the public. See, e.g., §§ 103d and 104d of the AEA. Pursuant to this provision, the Commission has the authority to reject a license application that raises a clear proliferation threat, terrorist threat, or other threat to the common defense and security of the United States.

cc: Chairman Dicus

Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield
CIO
CFO
OCA
OIG
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Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
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