

December 9, 1998

MEMORANDUM TO: William D. Travers  
Executive Director for Operations

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-98-153 - UPDATE OF ISSUES  
RELATED TO NUCLEAR POWER REACTOR FINANCIAL  
QUALIFICATIONS IN RESPONSE TO RESTRUCTURING OF  
THE ELECTRIC UTILITY INDUSTRY

The Commission has approved the staff's proposal to continue to use the process recommended in SECY-98-083 to monitor Federal and State rate deregulation developments and issues relevant to protecting public health and safety. As such, the Commission agrees that it is unnecessary, at this time, to proceed with a rulemaking that would impose additional financial reporting requirements. The staff should continue to promptly advise the Commission of the need to clarify ambiguities in our regulations covering financial qualification which could potentially lead to a reduction of financial responsibility of licensees.

The Commission has approved issuance of the Standard Review Plan (SRP) on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance which reflects current NRC regulations and policy, subject to the comments below.

1. This SRP should be revised to reference the draft SRP on Foreign Ownership, Control and Domination of SECY-98-246. However, the issuance of this final SRP should not be further delayed to incorporate the draft SRP guidance document on Foreign Ownership, Control and Domination. The SECY-98-153 SRP should acknowledge that foreign ownership and control is a policy matter that is under active consideration by the Commission. The staff should issue the draft SRP in SECY-98-246 on foreign ownership, as approved by the Commission, for use as interim guidance until such time that the SECY-98-246 SRP is issued in final form. Additionally, to ensure that license transfer guidance is appropriately disseminated, the staff should prepare an overarching document to reference other key guidance documents that are used in the process to review license transfer applications which would include but not be limited to, the SRP on technical qualifications, and the SRP on antitrust reviews.
2. The staff should give consideration to the suggested definitions of established entity and newly-formed entity provided by the Nuclear Energy Institute in their October 9, 1998 comments on this paper to the extent they clarify the NRC position and serve to minimize licensee misunderstanding. To the extent the definitions raise policy issues, the staff should advise the Commission.
3. The staff should make appropriate editorial revisions to the SRP to make it reflective of

a staff review guidance document and not guidance to licensees.

(EDO)

(SECY Suspense:

1/29/99)

cc: Chairman Jackson  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield  
OGC  
CIO  
CFO  
OCA  
OIG  
OPA  
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)  
PDR  
DCS