

GDP STANDARD REVIEW PLAN CHAPTER 16 OPTIONS

	Review Triggers ²	“Reliable and Economical” Considerations	Comments
Status quo	<ul style="list-style-type: none"> - Recertification; - Change in previous review basis; - Change in ownership or control; - Change applicable to certificate conditions on foreign ownership 	Business and financial characteristics	<p>No change from February 1999 draft NUREG-1671¹ guidance applicable to “reliable and economical” reviews. The SRP currently in place would not be modified.</p> <p>Cost per analysis: \$150,000 and 0.5 FTE</p>
Option 1 Business and Financial Review	<ul style="list-style-type: none"> - Change in ownership or control 	Business and financial characteristics	<p>Changes triggers for review and focus of the review, but does not change the substance of the review guidance from February 1999 draft NUREG-1671 applicable to “reliable and economical” reviews. The SRP would be modified to incorporate revised triggers and focus.</p> <p>Cost per analysis: \$150,000 and 0.5 FTE</p>
Option 2 Financial Aspects of Health and Safety Review	<ul style="list-style-type: none"> - Change in ownership or control 	Simplified financial qualification review	<p>Changes triggers for review and changes “reliable and economical” considerations to be similar to 10 CFR Part 50 and 70 financial qualification reviews oriented to ensuring health and safety. The SRP would be modified to incorporate the trigger changes and adopt the guidance for financial qualification reviews under the Part 70 SRP.</p> <p>Cost per analysis: 0.2 FTE</p>
Option 3 Foreign Ownership and Control Review	<ul style="list-style-type: none"> - Change in ownership or control 	Subsumed in foreign ownership and control review	<p>Changes would eliminate corporate financial and business reviews.</p> <p>Cost: No Additional Cost</p>

NOTES:

1. The current SRP was issued as draft NUREG-1671, "Standard Review Plan for the Recertification of the Gaseous Diffusion Plants," February 1999.

2. Potential Trigger Levels:
 - Recertification: review under Chapter 16 would be conducted each time the certificate is recertified. Routine recertification takes place every 5 years.
 - Change in review basis: review under Chapter 16 would be conducted if there is a significant change in the basis of a prior determination (similar to the staff's review initiated in February 2000).
 - Change in ownership or control: review under Chapter 16 would be conducted whenever another entity takes ownership or control of the gaseous diffusion plants (GDPs). Ownership and control are defined as when an entity has the power, direct or indirect, whether or not exercised, through ownership of the securities, by contractual arrangements or other means to direct or decide matters affecting the management or operations of the GDPs. (see Section 16.4.1 of NUREG-1671, February 1999). Staff will seek confirmation from the Commission of this definition along with Commission review of the SRP options.
 - Change in certificate conditions on foreign ownership: review under Chapter 16 would be conducted when changes described in foreign ownership and control certificate conditions occur. These conditions involve changes described in the National Industrial Security Program Operating Manual or if the GDP operator enters into negotiations for a proposed merger, acquisition, or takeover by a foreign entity,