

JGC draft

March X, 2000

H.A. Dauvergne
DBI Operating Company
419 East Merle Court
San Leandro, California 94577

Dear Mr. Dauvergne:

to Mr. [unclear]
I am responding to your letter dated January 24, 2000 and your subsequent discussions, during which we discussed DBI's proposal for a 1/4 MW Demonstration Plant, set forth in "DBI Reactors: History, Description, and Models of Analytical Basis". We have had the opportunity to consider this report and DBI's request that the Nuclear Regulatory Commission review DBI's proposal for the 1/4 MW Demonstration Plant.

As I suggested in our conversations, you may wish to pursue this project with Bill Magwood at the Department of Energy. The Department of Energy is the federal agency responsible for research and development of advanced designs. By contrast, the Nuclear Regulatory Commission is a regulatory agency which reviews and certifies that reactor designs are in compliance with agency regulatory requirements.

If you would like the Nuclear Regulatory Commission to formally consider DBI's proposal for a 1/4 MW Demonstration Plant, you must follow the application procedures set forth in 10 C.F.R. Part 52, a copy of which is enclosed. Under 10 C.F.R. Part 52, applicants may seek preliminary design approval, final design approval, and design certification of the submitted reactor design.

Under the Omnibus Budget Reconciliation Act of 1990, as amended, the NRC is required to collect approximately 100% of its budget authority in fees. To fulfill this statutory obligation, under 10 C.F.R. § 170.21, the NRC assesses applicants the full costs associated with preliminary design approvals, final design approvals, and design certifications conducted by the agency. Full cost fees are determined based on the professional staff time plus any direct program support costs expended by the NRC during the course of its design review. The professional hourly rate authorized by 10 C.F.R. § 170.20 is currently \$141.00 per professional staff-hour. This rate is adjusted annually by rulemaking.

I hope this information proves helpful.

*file in
inlet?*

B/4

Sincerely,

Ronald Hauber

NRC?

2/29/01

Ron: I discussed this with
Dave Lange & we agree
that OGC should craft a
reply to the letter outlining the
processes & payment (with an estimate)
NRC
File C