

est. 2/21/04

Reimbursements for Pebble Bed Reactor Work

Discussed with Brian Kildee the issue of accepting DOE funds for:

- Travel to S. Africa

Reimbursable agreement states that purpose of funding NRC travel is to provide evaluation of PBMR for DOE, Office of Nuclear Energy. This evaluation includes the assessment of the requirements for licensing the PBMR in the U.S.

- NRC's "pre-application activities"

Draft SECY paper on "Plan for Preapplication Activities on a Pebble-Bed Modular Reactor (PBMR)". The paper describes a series of proposed pre-application activities. It asks Commission approval to commence the activities and notes that DOE is willing to fund the activities.

At issue is whether NRC is limited in accepting reimbursable funds for the work because of the GAO position that the Economy Act cannot be used to fund NRC work which is a required part of NRC's mission.

Travel Conclusions:

At the beginning stages, NRC is not required to attend particular meetings. Therefore, he feels that DOE can pay for NRC's travel to S. Africa, even though NRC will also benefit from the trip.

Reimbursable Work Conclusions:

Discussed the issue of pre-application work. At some point, there is a "pre-application agreement" signed between NRC and the potential licensee. At that time, NRC begins charging pre-application fees and reimbursement would no longer be appropriate. Before that time, NRC could probably accept DOE funds for our pre-application activities. Any reimbursable agreement should have a cut-off date associated with the earlier of a particular date, or when a pre-application agreement is signed.

Need to:

1. Discuss with fees about the "pre-application" agreement.
2. Find out who in OGC attended Pebble Bed meeting. Need to involve.

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