

Joel

NOTE TO: Jennifer Golder

DATE: March 23, 2001

FROM: Joel Dorfman *Joel*

SUBJECT: COMMISSION PAPER TITLED, "PLAN FOR PRE-APPLICATION ACTIVITIES ON THE PEBBLE BED MODULAR REACTOR (PBMR)"

I have reviewed the March 21 version of the Pebble Bed Commission paper. RES has structured the document to segment the work into: 1) technology assessment and transfer activities, which would primarily be reimbursed by DOE; and 2) regulatory framework and process assessment activities, which would be funded directly by NRC. I discussed this draft with Brian Kildee, OGC, who agreed that RES was on the right track. OGC is planning to provide RES with comments next week. At this point, I have the following suggested revisions:

- Page 3 of Commission paper, last paragraph of Resources Section:

Revise first sentence as follows:

"Exelon would be charged fees in accordance with 10 CFR Part 170.21"

- Suggest revising the first major bullet under "Technology Assessment and Transfer" on page 4 to read as follows:

- familiarization with the design, safety, and research issues via:

- interaction with foreign partners and domestic organizations, including Exelon, with HTGR or modular HTGR design, safety or operating experience
- interaction with the RSA regulatory organization"

The purpose of this change is to downplay the focus on interactions with Exelon for work activities which would be reimbursed by DOE.

- Suggest revising the last two sentences of Page 11 of Attachment 2 as follows:

"DOE funds to cover the technology assessment and transfer activities are estimated to amount to \$800K and 3 FTE over the 18-month period. NRC appropriated funds, subject to fee recovery under 10 CFR 170.21, would cover regulatory process and framework assessment and PBMR-specific technology assessment activities and would amount to an estimated \$200K and 4 FTE over the 18-month period."

(Email) to Jennifer

C/12

I also would like to talk to Tom King on Monday to get a better understanding of his assumptions regarding the reimbursable FTE included in this paper. The paper describes the budget for the pre-application activities as follows:

	<u>FTE</u>	<u>Contract Support</u>
DOE Funded:	3.0	\$800K
NRC Funded:	4.0	200K
Total:	7.0	\$1,000K

The paper does not indicate what the 3.0 reimbursable FTE will cost DOE (and I'm not saying that it should). One possible assumption is that 3.0 FTE could cost DOE over \$750K! (\$144 per hour X 1,776 productive hours X 3.0). Costs to DOE could increase further by about \$10K per FTE in FY 2002, based upon the FY 2001 proposed fee rule. Also, unlike internal NRC budgets, management and clerical staff hours are not directly billable under reimbursable agreements, so I would like to make sure that he considered that in his planning. If the 3.0 FTE include a lot of management level time, for example, then the cost to DOE would be lower.

Tom King

Assum

Reimb FTE

	<u>FTE</u>		
FY 01	1.0	200K	1333 hrs?
FY 02	2.0	400K	2666 hrs?
	<u>3.0</u>	600K	<u>4000</u>

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