



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D C. 20555-0001

September 27, 2000

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CHAIRMAN

Mr. Walter A. Simon
Senior Vice President
General Atomics
3550 General Atomics Court
San Diego, California 92121-1194

Dear Mr. Simon:

I am writing to respond to your letter of August 30, 2000, in which you request an explanation regarding the U.S. Nuclear Regulatory Commission's (NRC) possible participation in the safety and licensing evaluation of the Pebble Bed Modular Reactor (PBMR) by the National Nuclear Regulator (NNR, formerly the Council for Nuclear Safety, or CNS) of the Republic of South Africa (RSA). Your letter refers to an article in *Nucleonics Week*, which I assume is a report in the August 17, 2000, edition regarding a briefing provided to the Commission by the Office of International Programs (OIP). You also attached a copy of a 1997 letter from then-Chairman Jackson, which provided an explanation of the NRC's policy of not performing safety reviews of either power or research reactors to be sited outside the United States, including the TRIGA reactor that your company had agreed to export to Thailand.

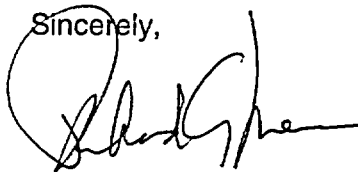
Earlier this year, the NRC was informally made aware of the NNR's possible interest in having the NRC assign a staff member, at the NNR's expense, to work with that agency to develop a risk-informed approach that could be used to perform licensing reviews of advanced reactor designs, in general, i.e., the "technology-neutral" regulatory approach discussed in the article. As the article states, the NRC participated in a U.S. government visit to the RSA in February of this year, after which I made a formal offer of NRC assistance in a letter that I sent to RSA Minister Mlambo-Ngcuka in March. We have not received a response from the RSA to that letter.

As Dr. Jackson's 1997 letter to you explains, the NRC does work with other countries for the purpose of "enhancing their...regulatory skills." As you may be aware, the NRC has been developing a risk-informed approach to reactor regulation for several years, and is considered by other nuclear regulatory agencies to be a leader in the application of quantitative risk assessment techniques to regulatory decision-making. The purpose of our offer of assistance to the NNR is to facilitate the development of a risk-informed approach by the NNR for performing licensing reviews in the RSA, not to endorse the NNR's detailed safety review of Eskom's PBMR design. Moreover, participation by the NRC in developing a technology-neutral approach may be of benefit to the NRC in the future, if we are called upon to review advanced reactor designs, such as those being contemplated in the U.S. Department of Energy's Nuclear Energy Research Initiative (NERI). Thus, the offer to collaborate with the RSA in developing a risk-informed regulatory regime for use by the NNR does not, in my view, conflict with the NRC's long-standing policy of not performing safety reviews of reactors being sited in other countries.

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I trust that this letter addresses your concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard A. Meserve', written over a large, faint circular stamp or watermark.

Richard A. Meserve



August 30, 2000

Mr. Richard A. Meserve
Chairman
Nuclear Regulatory Commission
One White Flint North Building
11555 Rockville Pike
Rockville, MD 20852

Dear Mr. Meserve:

I recently saw in Nucleonics Week that NRC has expressed interest in working with the South Africans on the safety and licensing evaluation of their Pebble Bed Modular Reactor (PBMR).

I was surprised about the idea of NRC involvement for the following reason. As you may know, in 1997, General Atomics signed a contract with Thailand's Office of Atomic Energy for Peace (OAEP) to build a Research Center outside of Bangkok, including a TRIGA reactor. The Thais wanted the Regulatory Agency of the country of origin of the reactor, i.e. the USNRC, to review the PSAR of the reactor, in essence perform the safety review.

The attached correspondence from the NRC to General Atomics makes it quite clear that NRC's focus is primarily domestic. In essence, the NRC made it clear that the agency could not perform the requested review.

My question is very simple. What has changed since 1997 that would get the NRC involved in the review of a new reactor's safety evaluation, a proposal which seemed to be impossible three years ago? Since our customers may well end up reading the Nuke Week article and ask pertinent questions, I want to be prepared to have the proper answer.

I would appreciate a pertinent explanation from the NRC.

Sincerely,

Walter A. Simon
Senior Vice President
Reactor Projects

Attachment



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D C. 20555-0001

May 20, 1997

Mr. Brian E. Thurgood
Managing Director
TRIGA Group
P.O. Box 269025
San Diego, California 92126

Dear Mr. Thurgood:

This responds to your letter of May 1, 1997, which requested clarification of earlier information the U.S. Nuclear Regulatory Commission (NRC) had provided on the limits of our participation in foreign research reactor safety reviews.

As indicated in our letter of August 16, 1996, the NRC does not perform safety reviews of either power or research reactors to be sited outside the United States. This is an NRC policy of long standing. We consider a country's decision to commit to a nuclear program, including the choice of the technology to be used and the infrastructure to both support and regulate it, to be a sovereign responsibility of that country. Technical assistance is available through the International Atomic Energy Agency, and elsewhere, to countries inexperienced in performing reactor safety reviews. The USNRC has itself provided some training and assistance of this nature to countries embarking on nuclear power programs and carrying out their first reactor safety reviews or enhancing their research reactor safety and regulatory skills.

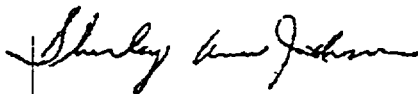
We have no jurisdiction over licensees or operators in other countries. Our focus is primarily domestic. An NRC export license is issued to a U.S. reactor supplier after appropriate nonproliferation and common defense and security findings are made. The Commission also is required to consider the environmental impact of nuclear exports upon the United States and, as a matter of discretion, it sometimes considers potential environmental impacts upon the "global commons".

I am aware that General Atomics has supplied 65 research reactors around the world (over 30 of these in the U.S.) and has most recently been awarded the contract for Thailand's new 10 MW research reactor. The NRC reviewed the Safety Analysis Reports for the General Atomics research reactors located in the U.S., all of which have achieved successful safety records. However, the NRC does not have the responsibility or the resources to perform safety reviews for reactors intended for construction and operation in other countries.

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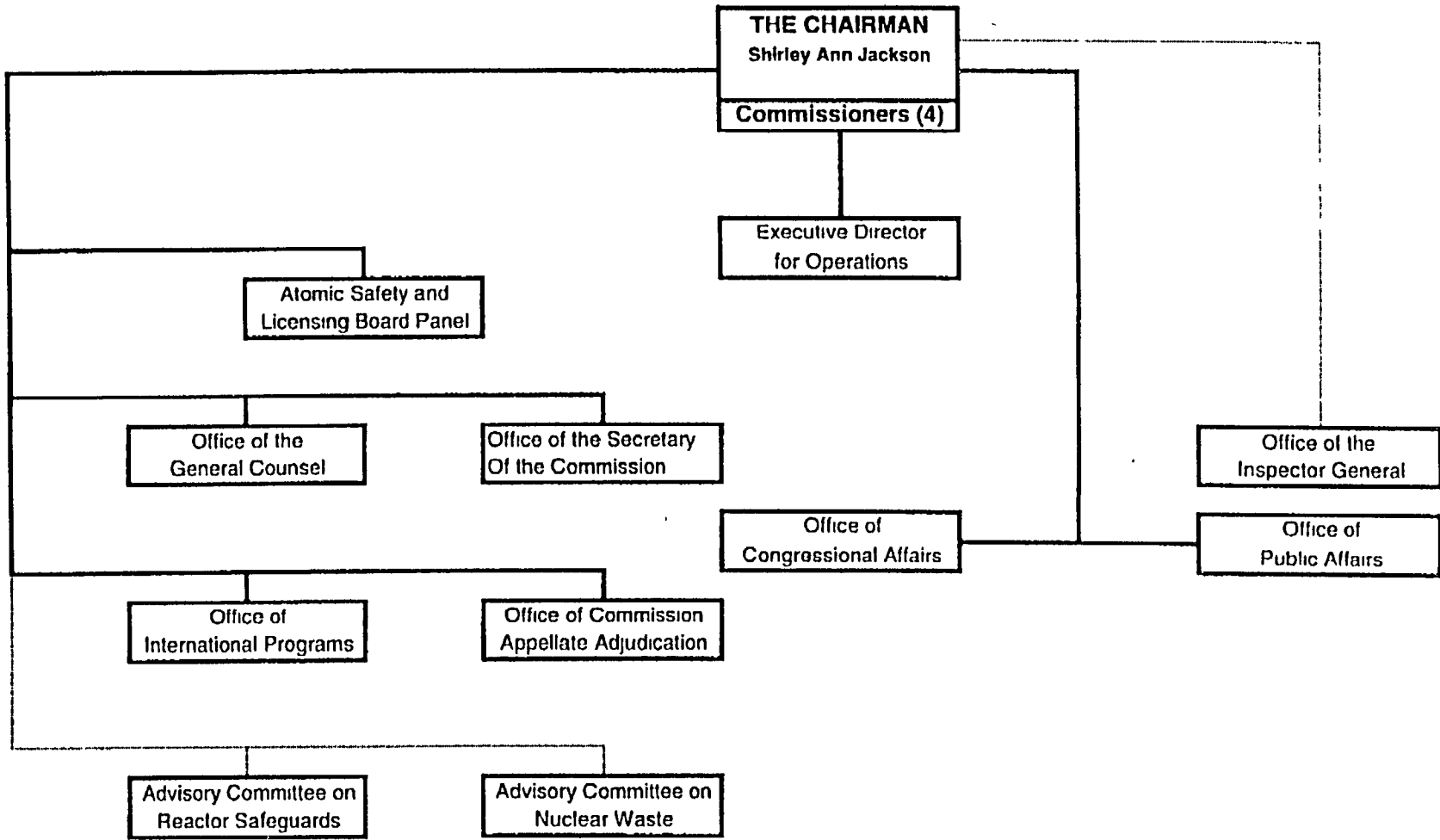
I hope the above provides the clarification you need. Please let me know if you have any further questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Shirley Ann Jackson".

Shirley Ann Jackson

U.S. NUCLEAR REGULATORY COMMISSION
ORGANIZATIONAL CHART



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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20453-0001

August 16, 1996

RECEIVED
OFFICE OF E.E. THURGOOD

AUG 18 1996

ROUTE _____
FILE _____
CC _____

Mr. Brian E. Thurgood
Managing Director
TRIGA Group
General Atomics
3550 General Atomics Court
San Diego, California 92121-1194

SUBJECT: NRC REVIEW OF A FOREIGN NON-POWER REACTOR

Dear Mr. Thurgood:

This letter is in reply to your letter of August 13, 1996. You requested confirmation that the U.S. Nuclear Regulatory Commission (NRC) would not perform a review and evaluation of a non-power reactor design to be built in Thailand. You are correct in your understanding that NRC will not perform reviews of reactors to be sited outside of the United States. Under special agreements NRC does provide training to staff members of foreign country regulatory agencies on licensing and regulatory issues. If you have any questions concerning this issue please contact me at (301) 415-2170 or Alexander Adams at (301) 415-1127.

Sincerely,

A handwritten signature in cursive script, reading "Seymour H. Weiss".

Seymour H. Weiss, Director
Non-Power Reactors and Decommissioning
Project Directorate
Division of Reactor Program Management
Office of Nuclear Reactor Regulation