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Subject: AVAILABILITY OF SECY-01-0188, FUTURE LICENSING AND INSPECTION READINESS ASSESSMENT

This notice is being sent to interested parties to inform you that SECY-01-0188, "Future Licensing and Inspection Readiness Assessment," dated October 12, 2001, is being made publicly available today.

SECY-01-0188 presents the staff's assessment of its readiness to review applications for licenses and to inspect new nuclear power plants in response to the Commission's February 13, 2001, staff requirements memorandum (SRM) for COMJSM-00-0003, "Staff Readiness for New Nuclear Plant Construction and the Pebble Bed Modular Reactor." In the SRM for COMJSM-00-0003, the Commission directed the staff to assess its technical, licensing, and inspection capabilities and identify enhancements, if any, that would be necessary to ensure that the agency can effectively carry out its responsibilities associated with an early site permit application, a license application, and the construction of a new nuclear power plant. In addition, the staff was directed to critically assess the regulatory infrastructure supporting both Part 50 and Part 52, and other applicable regulations, and identify where enhancements, if any, are necessary.

The Future Licensing and Inspection Readiness Assessment addresses the following matters:

1. Licensing scenarios for the future application reviews, the durations of the reviews, and resource estimates to complete the reviews in full-time equivalents (FTE) for the NRC staff and in dollars for technical assistance support;
2. Critical skills that must be available within the agency or that can be accessed through contractual agreements to perform these reviews; and
3. Regulatory infrastructure needs to support future licensing reviews.

SECY-01-0188 can be obtained electronically from ADAMS. The ADAMS accession number for SECY-01-0188 is ML012640279. Questions regarding SECY-01-0188 should be addressed to Nanette Gilles, NRR/NRLPO, at e-mail "nvg" or at 415-1180.

Attached is an information sheet in Q&A format concerning the FLIRA. Note that an e-mail similar to this one will be sent to interested external stakeholders today.

Tom

Q/24

Questions and Answers on the Future Licensing and Inspection Readiness Assessment

1. What is the Future Licensing and Inspection Readiness Assessment?

The Future Licensing and Inspection Readiness Assessment (FLIRA) presents the staff's assessment of its readiness to review applications for licenses and to inspect new nuclear power plants in response to the Commission's February 13, 2001, staff requirements memorandum (SRM) for COMJSM-00-0003, "Staff Readiness for New Nuclear Plant Construction and the Pebble Bed Modular Reactor." In the SRM for COMJSM-00-0003 the Commission directed the staff to assess its technical, licensing, and inspection capabilities and identify enhancements, if any, that would be necessary to ensure that the agency can effectively carry out its responsibilities associated with an early site permit application, a license application, and the construction of a new nuclear power plant. In addition, the staff was directed to critically assess the regulatory infrastructure supporting both Part 50 and Part 52, and other applicable regulations, and identify where enhancements, if any, are necessary. FLIRA addresses the following matters:

- Licensing scenarios for the future application reviews, the durations of the reviews, and resource estimates to complete the reviews in full-time equivalents (FTE) for the NRC staff and in dollars for technical assistance support;
- Critical skills that must be available within the agency or that can be accessed through contractual agreements to perform these reviews; and
- Regulatory infrastructure needs to support future licensing reviews.

2. How were the resource and schedule estimates contained in FLIRA derived?

While developing its estimates of the schedules and resources required to conduct the reviews discussed in this report, the NRC considered (1) the results of a critical skills and resources survey taken of the NRC staff in August 2001 to support this assessment, (2) industry plans and proposed schedules as discussed in public meetings and correspondence, (3) the agency's past experience with licensing reviews; (4) the effect of complex issues on these reviews; and (5) estimates from previous resource and schedule evaluations. The resource estimates are for direct effort only and do not include items such as management and administrative support, information technology needs, and training. Although other possible combinations exist for which the staff could receive a licensing application, the staff has evaluated only those scenarios identified by nuclear industry representatives as the most likely to be submitted in the near future. The schedule estimates are nominal values and are dependent on resource availability. If resources are limited, activity durations will be extended. In addition, no attempt was made to integrate the schedule of one project with that of the other projects identified in the FLIRA report.

3. How will FLIRA resource and schedule information be used?

The NRC staff will use the FLIRA information in its planning and budgeting processes. These assessment efforts are only the first step in a multi-phased process of establishing detailed schedule and resource estimates for new reactor licensing activities. As formal commitments are received regarding industry plans for new reactor licensing activities and as the staff gains additional knowledge through pre-application reviews and additional assessment work, the NRC will work through the planning,

budgeting process to identify priorities and allocate resources to those priorities for the coming years. During this process the staff will continue to refine the schedule and resource estimates for each licensing scenario.

4. How will the FLIRA information regarding NRC staff critical skills be used?

As part of the assessment of the NRC's technical, inspection, and licensing capabilities, the FLIRA working group surveyed the staff to identify "gaps" in areas of critical skills needed to perform future reviews related to new reactor licensing activities. A skill gap within the agency occurs when individuals with expertise in certain technical areas either (1) are limited in number, work on specific assignments in important agency initiatives in other areas (spent fuel repository review, for instance), and not currently working in the office where the gap exists; (2) are near retirement or are expected to leave the agency within 6-12 months; or (3) do not exist in the agency.

The NRC believes that in the short term many of these skills can be obtained through contracted technical assistance. Other skill gaps will have to be addressed through the agency's ongoing strategic workforce planning initiatives. As part of the agency's effort in this area, the NRC is developing and implementing strategies to address workforce issues. The staff is identifying and addressing skill gaps across the agency to ensure that the appropriate staff is available for the NRC to fulfill its mission and any new regulatory responsibilities. The agency will use these strategies, and identify new strategies, to retain and recruit staff with critical technical skills and to maintain a diverse workforce.

5. Will the FLIRA information be updated as new information is received?

The NRC's assessment of future licensing and inspection readiness identified many activities that may need to be performed in support of new reactor licensing, including the associated resources and review durations. Because of the uncertainty of the plans of potential applicants and because the agency is in the early phase of the assessment process, the relative priorities of the activities outlined in the assessment are still emerging. As formal commitments are received regarding industry plans for new reactor licensing activities and as the NRC staff gains additional knowledge through pre-application reviews and additional assessment work, the NRC will work through its planning and budgeting processes to identify priorities and allocate resources to those priorities for the coming years. The NRC staff will be providing the Commission with semi-annual updates of the status of new reactor licensing activities and the associated resource and schedule implications.

6. What types of applications does the NRC expect to receive and when does the NRC expect to receive them?

The most current information with regard to industry schedules is an August 10, 2001, letter from NEI's Marvin Fertel to NRC's Chairman Meserve. This letter provides an integrated industry schedule for new plant activities and identifies when power companies will make business decisions on whether to proceed. Based on the NEI letter, the NRC expects to receive requests to begin the International Reactor Innovative and Secure (IRIS) and Gas Turbine - Modular Helium Reactor (GT-MHR) pre-application reviews in early to mid fiscal year (FY) 2002. In addition, the staff expects

that it will receive one early site permit application in the middle of FY 2002, and at least two additional early site permit applications in mid-FY 2003. Based on recent discussions with Westinghouse Electric Company, the NRC expects to receive an application for certification of the AP1000 design in mid FY 2002. Assuming a decision from General Atomics to move forward, the NRC expects to receive a combined license application for the GT-MHR in early FY 2004. Based on recent discussions with Exelon Generation, a combined license application for the PBMR is not expected before early FY 2004. Design certification reviews for the PBMR and for IRIS could be submitted in the 2005-2006 time frame.