

72-1015 71-9235
72-1025 71-9270



Edward M. Davis
President & CEO

Atlanta Corporate Headquarters
655 Engineering Drive
Norcross, Georgia 30092
770-447-1144
Fax 770-447-0344
www.nacintl.com

TO: NAC NUCLEAR TECHNOLOGY USERS GROUP, CUSTOMERS AND ASSOCIATES
FROM: ED DAVIS *EMD*
DATE: AUGUST 26, 1998
SUBJECT: NRC LICENSING REVIEW SCHEDULE FOR MPC & UMS™

We are pleased to report that we have received formal notification regarding the U.S. Nuclear Regulatory Commission's (NRC) schedule for its review of NAC's next-generation, transportable dry spent fuel storage technologies -- the NAC-MPC and Universal MPC™ System (UMS™).

Based on this schedule (attached) and input to date from the NRC's ongoing, active review of our technologies, it is our expectation that:

1999 NRC Approval

NAC will receive SERs for the MPC storage and transport systems (3/1/99) and the UMS™ storage system (6/1/99) in calendar year 1999.

First NRC-Approved MPC System

The MPC will be the *first* new MPC-generation technology approved for both storage and transport in the U.S. Given the close parallel in licensing design and methodology, we expect the UMS™ to follow closely behind.

Record Approval Time

Receipt of the above MPC and UMS™ SERs will occur in record time (about 27 months), which is approximately *half* the time forecast for other vendor applications.

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Minimized Transport Licensing Risk

Given the shift in NRC's licensing priorities from transport-first to storage-first, NAC's use of our previously NRC-approved transport technology (the NAC-STC) in our new designs provides high confidence in early transport certification. Moreover, this reliance on proven transportation technology and scale model testing provides added assurance that utility users will not be left with a single purpose storage-only system.

1999 Delivery

With the above schedule, initial system delivery in the fourth quarter of 1999 is achievable with an approved early release to fabricate.

Validation Of NAC Licensing Strategy

The NRC's milestone schedule is further testament to NAC's "*License What Is Licensable*" approach and our unmatched experience in the engineering design and licensing arena, which includes approval of more than 80 licensing amendments and several major technology systems.

The above conclusions, of course, assume one round of Requests for Additional Information (RAIs) and "prompt and comprehensive" responses to NRC staff requests. We are fully cognizant of this need and have committed extra resources to make sure the job gets done right the first time in concert with our industry-leading quality program.

In addition, with the goal of accelerating the NRC schedule, we are expediting our UMSTM scale model testing to ensure that its results are incorporated in our UMSTM SAR well before the first RAI.

NAC looks forward to working with you and our rapidly growing group of utility partners to make 1999 a watershed year for progress in the important spent fuel management arena.

Please contact Charlie Pennington, Group Vice President for Engineering and Design Services, or me if you have any questions.

Attachment (1)

NAC-UMS™, NAC-MPC™ AND NAC-STC™ REVIEW SCHEDULES

ACTION	DATE	UMS™-STORAGE	UMS™-TRANSPORT	MPC™	STC™
NAC	10/09/98			Response to 01/27/98 RAI 1	Response to 12/30/97 RAI 1
NRC	10/31/98	Issue RAI 1			
NAC	02/01/99	Response to RAI 1			
NRC	03/01/99			Issue Draft SER & CoC Commence Rulemaking	Issue Amendment
NRC	06/01/99	Issue Draft SER & CoC or Issue RAI 2			
NAC	08/13/99	Response to RAI 2 (if applicable)			
NRC	08/30/99		Issue RAI 1		
NRC	11/01/99	Issue Draft SER & CoC (if RAI 2 applicable)			
NAC	12/01/99		Response to RAI 1		