CORR: 00-0041-REVISED CORR: 00-0041-REVISED

COMMISSION CORRESPONDENCE

Correspondence Response Sheet

Date:

March 21, 2000

Approve subject to attached edits. These edits are consistent with those provided by Commissioner Diaz.

To:

Chairman Meserve

Commissioner Dicus Commissioner Diaz

Commissioner McGaffigan Commissioner Merrifield —

From:

Annette Vietti-Cook, Secretary

Subject:

Letter to Madam Phumzile Mlambo-Ngcuke, Minister of Minerals and Energy, South Africa, concerns the Eskom's

Pebble Bed Modular Reactor project

ACTION: Please comment/concur and respond to the Office of the

Secretary by:

Time:

C.O.B.

Day:

Thursday

Date:

March 23, 2000

Comment:

THE CHAIRMAN'S OFFICE WOULD LIKE TO ISSUE

THIS LETTER ON FRIDAY, MARCH 24

Contact: Karen Henderson, OCM/RAM

415-1750



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

DRAFT FOR COMMISSION CONSIDERATION

Madam Phumzile Mlambo-Ngcuke Minister of Minerals and Energy Private Bag X59 Pretoria 0001 South Africa

Dear Madam Mlambo-Ngcuke:

During the week of February 14, 2000, a team led by the Department of Energy (DOE) Office of Nuclear Energy, Science and Technology, and including experts from DOE, the Nuclear Regulatory Commission (NRC), the Department of State, and the Idaho National Engineering and Environment Laboratory, visited South Africa to evaluate Eskom's Pebble Bed Modular Reactor (PBMR) project. I am writing to you concerning the regulatory component of the visit. It is my understanding that U.S. Secretary of Energy Bill Richardson is separately communicating to you about the Department of Energy's findings.

The Commission believes that if the PBMR project should proceed, our governments might benefit by working together to develop a technology neutral regulatory approach to licensing the construction and operation of advanced reactors, such as the PBMR. The NRC is presently instituting "risk-informed performance-based licensing" to operating power plants. This is an approach similar to that which the South African Council on Nuclear Safety (CNS) intends to apply to licensing the PBMR. Depending on the identification of sources of funding, a could be useful to cooperate and exchange information on developments in this area, thereby expanding both countries' base of experience. NRC would also consider providing independent technical expertise to help in evaluating Eskom's responses to CNS questions.

We welcomed the opportunity to have NRC represented on the U.S. team visit to South Africa's nuclear technology organizations. The Commission believes that, consistent with our existing NRC-CNS bilateral nuclear technical exchange arrangement, we can work together on this technology in some areas. We believe that such cooperation would be in keeping with the growing and mutually beneficial relationship between the United States and the Republic of South Africa.

Sincerely,

the regulatory program associated with the development of the PBMR project.

Richard A. Meserve

DRAFT