

December 27, 2004

Mr. Edward G. Wallace
Senior General Manager, U.S. Programs
Pebble Bed Modular Reactor (Pty.) Ltd.
P.O. Box 9396
Centurion 0046
Republic of South Africa

SUBJECT: PROPOSED PRE-APPLICATION PLANNING FOR DESIGN CERTIFICATION
OF THE PEBBLE BED MODULAR REACTOR (PROJECT 732)

Dear Mr. Wallace:

Thank you for your letter, dated November 11, 2004, regarding your proposal to begin pre-application activities in support of a design certification application (DCA) review of the Pebble Bed Modular Reactor (PBMR) by the U.S. Nuclear Regulatory Commission (NRC). The information provided in your letter, together with the additional details presented at the public meeting on November 3, 2004, concerning the status of the PBMR project and your plans to pursue design certification, provide a basis for the NRC staff to evaluate the proposal submitted by PBMR (Pty.) Ltd.

At this point, given the date of the submittal, no resources are available to work on the PBMR in 2005. The NRC staff will evaluate the scope, schedule, and needed resources for both the PBMR pre-application interactions and the PBMR DCA review, in the context of the NRC's planning, budgeting, and performance management (PBPM) process. The staff will formally document the evaluation and plans, and provide them to the Commission for approval as part of our budget development process. Depending on the Commission's response, the staff will then notify PBMR (Pty.) Ltd. with a letter detailing the evaluation results as soon as they can be made available.

If you have any questions regarding the NRC's plans for responding to the subject request, please contact Stuart D. Rubin at (301) 415-7480 or by email to SDR1@nrc.gov.

Sincerely,

/RA/ John W. Craig for:

Carl J. Paperiello, Director
Office of Nuclear Regulatory Research

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