April 11, 2005

Mr. Edward G. Wallace Senior General Manager, U.S. Programs Pebble Bed Modular Reactor (Pty.) Ltd. P.O. Box 16789 Chattanooga, TN 37416

## SUBJECT: PEBBLE BED MODULAR REACTOR PRE-APPLICATION REVIEW PLANNING (PROJECT 732)

Dear Mr. Wallace:

Your letter, dated November 11, 2004, conveyed the plans that Pebble Bed Modular Reactor (Pty.) Ltd. [PBMR (Pty.) Ltd.] proposed for initiating pre-application activities for the Pebble Bed Modular Reactor (PBMR) in preparation for an application for PBMR design certification by the U.S. Nuclear Regulatory Commission (NRC). My response, dated December 27, 2004, informed you that the NRC staff would evaluate your plans and provide a response as soon as possible.

Based on that evaluation, we expect to be able to support meetings in Fiscal Year (FY) 2005 to discuss PBMR pre-application review planning activities, but we do not anticipate any substantial technical review activities during this fiscal year. The level of technical review activity that we will be able to support in FY 2006 and FY 2007 will be determined as the NRC considers the relative priority of PBMR pre-application review activities in relation to that of other agency activities. The NRC will allocate its FY 2006 and FY 2007 resources on the basis of these relative priorities. I will notify you of these allocations, as they relate to our ability to support PBMR pre-application review activities in FY 2006 and FY 2007, as soon as they can be made available.

If you have any questions regarding this response, please contact Stuart D. Rubin at (301) 415-7480 or by email to <u>SDR1@nrc.gov</u>.

Sincerely,

/RA/ Carl J. Paperiello, Director Office of Nuclear Regulatory Research Mr. Edward G. Wallace Senior General Manager, U.S. Programs Pebble Bed Modular Reactor (Pty.) Ltd. P.O. Box 16789 Chattanooga, TN 37416

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