

November 16, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

Karen D. Cyr
General Counsel

Jesse L. Funches
Chief Financial Officer

FROM: Andrew L. Bates, Acting Secretary **/RA/**

SUBJECT: STAFF REQUIREMENTS - SECY-06-0187 - SEMIANNUAL
UPDATE OF THE STATUS OF NEW REACTOR LICENSING
ACTIVITIES AND FUTURE PLANNING FOR NEW REACTORS

The Commission supports the staff's design-centered review approach (DCRA) described in Regulatory Issue Summary 2006-06 (and any subsequent related guidance documents) for reviewing Combined License (COL) and Design Certification (DC) Applications.

The staff should consider the following set of factors when making resource allocations and schedule decisions if and when actual licensing work exceeds the new reactor budget. These factors apply when allocating resources during budget execution only and should not be applied in preparing budget requests. The staff should continue to plan and budget for all low and medium uncertainty new plant licensing applications.

For COLs:

- for any one of multiple COL applications referencing the same design certification, the extent of the applicant's commitment to the design-centered review approach described in Regulatory Issue Summary 2006-06 and any subsequent related guidance documents (this factor should not, however, disadvantage a COL applicant referencing a design that is not referenced in other COL applications)
- the extent to which an application references a completed early site permit (ESP) and a certified design;
- for applications referencing designs not yet certified or for which significant changes in the current Certificate are being sought by the vendor, the degree to which the staff's design review is in advanced stages and the vendor is providing the necessary support for timely completion;
- the quality and the completeness of the application itself;
- the extent to which an application references an ESP application submitted well in advance of the COL and which demonstrates the likelihood that environmental and emergency planning issues will be resolved prior to the COL hearing;
- the extent to which an applicant has coordinated with applicable state permitting authorities;
- the extent to which an applicant has coordinated toward meeting other applicable

federal requirements;

- the schedule of the Department of Homeland Security (DHS) review of an applicant's EP plan, and the schedule for the DHS security consultation consistent with Section 657 of the Energy Policy Act of 2005;

- evidence of the applicant's financial commitment to build a reactor in the near term, such as the extent of procurement and orders for long lead time reactor components that can facilitate the NRC scheduling of vendor and construction inspections and other related financial information;

- the degree of an applicant's adherence to schedules and meeting of milestones that could impact the staff's review;

- the extent to which prioritization of the application could enhance efficiencies in the conduct of the adjudicatory process; and

For ESPs:

- the quality and the completeness of the application itself;

- the extent to which an application is likely to be followed up in the near term by a COL at the designated site; and

- the degree of an applicant's adherence to schedules and meeting of milestones that could impact the staff's review;

For Design Certifications:

- the quality and the completeness of the application itself;

- the extent to which a certification is likely to be followed up in the near term by a COL application that would reference the designated design; and

The staff should continue to keep the Commission fully and currently informed regarding new reactor activities.

The OGC and CFO staff should develop a paper on the feasibility and appropriateness under existing law of charging prospective applicants a fee (a payment upfront to be submitted with the applicant's letter of intent), including various options for putting such a fee in place and the pros and cons associated with each option, within 90 days of the date of the SRM on this paper.

cc: Chairman Klein
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
OCA
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR