

October 29, 2004

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary **/RA/**

SUBJECT: STAFF REQUIREMENTS - SECY-04-0176 - EXEMPTION
REQUESTS TO REDUCE LIABILITY INSURANCE COVERAGE
FOR DECOMMISSIONING REACTORS AFTER TRANSFER OF
ALL SPENT FUEL FROM A SPENT FUEL POOL TO DRY CASK
STORAGE

The Commission has approved the staff's recommendation to deny the exemption requests and maintain the current level of liability insurance requirements.

To the degree that there are available resources, the staff should work with stakeholders to encourage industry development of an appropriate methodology for assessing financial risk that could be applied to the storage of spent fuel in either a spent fuel pool or an independent spent fuel storage installation. This methodology in conjunction with the results from the staff's risk studies and vulnerability analyses (VAs) can assist the staff in preparing well-developed recommendations that can be presented to the Commission. One year after completion of the risk studies and VAs, the staff should present its recommendation to the Commission for a generic approach to liability insurance coverage for decommissioning reactors.

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
OGC
DOC
CFO
OCA
OIG
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR