

May 16, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

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

SUBJECT: STAFF REQUIREMENTS - SECY-06-0066 - REGULATORY AND
RESOURCE IMPLICATIONS OF A DEPARTMENT OF ENERGY
SPENT NUCLEAR FUEL RECYCLING PROGRAM

The Commission has approved staff's recommendations to initiate interactions with DOE and international entities through participation in workshops and meetings domestically and internationally, as appropriate and consistent with its further development, on the safety and safeguards aspects of DOE's spent fuel recycling program and reallocate one additional FTE (for a total of 2 FTE) and \$100,000 for FY2006.

The Commission will consider estimates for resources in FY 2007 and FY 2008 as part of the FY 2008 budget process, and expressed concern about ramping up too quickly to support a Department of Energy (DOE) program that still contains major uncertainties, particularly in that the NRC is not currently authorized by statute to license a DOE reprocessing facility, although NRC is authorized by statute to license a demonstration Advanced Burner Reactor (ABR).

NRC resource commitments should be tied to DOE's program decisions. Also, the staff should work with DOE to establish a reimbursable agreement for NRC efforts. The staff should also consider requesting a non-fee based appropriation, as appropriate.

The staff should begin considering the specialized expertise that will be needed for these future reviews when hiring into current open positions.

The staff should focus on the development of a conceptual licensing process for the Administration's Global Nuclear Energy Partnership (GNEP) -related facilities to which the staff has committed in this paper

The staff, in conjunction with OGC, should prepare draft legislation for Commission approval that would give NRC licensing authority for demonstration scale DOE reprocessing, fuel fabrication, vitrification and interim waste storage facilities. In drafting the portion of the proposed legislation that addresses reprocessing facilities, the staff should ensure that they identify any impediments in existing law to NRC licensing of these facilities under a hearing process similar to Part 52 for advanced reactors. Other issues requiring statutory changes should also be identified.

The development of the conceptual licensing process should proceed at a pace commensurate with DOE's progress in identifying the technologies it plans to pursue under GNEP. The conceptual process should consider the most effective and efficient elements of the NRC's

licensing processes for major facilities, including review of the one-step licensing provisions for enrichment facilities as described in Section 193 of the Atomic Energy Act, and features of nuclear power plant combined licensing under Part 52 (i.e., construction authorization and operating license hearing process, design certification process, and early site permitting process). The staff should also examine the process that EPA used to authorize the operation of the Waste Isolation Pilot Plant. The development of a conceptual licensing process is an inter-office undertaking, likely with NMSS in the lead, but NRR, NSIR, RES and OGC all having significant roles. The Advisory Committees on Reactor Safeguards and Nuclear Waste could also help in defining the issues most important to licensing, inspecting, and ultimate decommissioning of reprocessing facilities (and related fuel-cycle facilities). The staff should consider all aspects of the "full recycle" option of the GNEP in its conceptual process. The licensing process design should be comprehensive in scope, and should address, for example, reactor and other fuel cycle facility safety regulations, environmental reviews, domestic and IAEA safeguards, import and export controls, and waste management. The staff should keep the Commission informed of progress on this effort, and make recommendations as appropriate, on at least an annual basis.

(EDO)

(SECY Suspense:

5/1/07)

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