



NUCLEAR ENERGY INSTITUTE

Douglas J. Walters

VICE PRESIDENT

REGULATORY AFFAIRS

NUCLEAR GENERATION DIVISION

August 22, 2011

Ms. Laura Dudes
Director, Division of Construction Inspection and Operational Programs
Office of New Reactors
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: NEI Input on Clarifying 10 CFR Part 21

Project Number: 689

Dear Ms. Dudes:

We appreciated the opportunity to share our views during the NRC's August 1, 2011 public meeting to discuss potential rulemaking to revise 10 CFR Part 21, Reporting of Defects and Non-Compliance. Such opportunities for early stakeholder participation in regulatory initiatives are very beneficial. They allow both the NRC and stakeholders to interact at the earliest stages of those initiatives in order to better frame and focus potential issues and identify the best means to address them.

As discussed during the public meeting, we support the NRC staff's stated objective to clarify requirements related to Part 21 implementation and commercial grade dedication. In that regard, we want to reiterate the clear message from nuclear industry stakeholders that the desired clarity can be provided most efficiently and effectively through new and revised regulatory guidance, and that based on the information provided by the NRC staff, few if any rule changes appear necessary.

We understand the staff is developing a SECY paper that will recommend a plan to the Commission for improving the clarity of Part 21 and commercial grade dedication requirements. Based on the August 1 discussions, we recommend that the staff plan reflect a primary focus on improving or expanding available guidance in these areas, and we are prepared to work with the staff in this regard. We believe that rule changes should be considered only after determining that improved guidance alone is not sufficient.

If the staff recommends rulemaking, it will be important to provide stakeholders with the opportunity to understand and comment on the technical and regulatory basis for any proposed rule

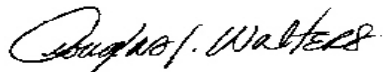
changes. We appreciate that the staff plans to hold additional stakeholder interactions in that regard.

Part 21 has been in effect since 1977. It has proven to be an effective regulation over the years and continues to assure the proper evaluation and reporting to NRC of failures to comply and defects that could create a substantial safety hazard. As noted above, we believe that recent Part 21 implementation issues, as well as commercial grade dedication requirements, can be clarified primarily through improved or expanded guidance.

NEI recognizes the importance of NRC's Part 21 regulatory initiative. We look forward to participating in and supporting NRC efforts to assure the clarity and usefulness of both 10 CFR Part 21 and associated regulatory guidance.

If you have any questions, please contact me or Russ Bell (202-739-8087; rjb@nei.org).

Sincerely,

A handwritten signature in black ink that reads "Douglas J. Walters". The signature is written in a cursive, flowing style.

Douglas J. Walters

c: Mr. Richard A. Rasmussen, NRO/DCIP/CQVB, NRC
Mr. Victor E. Hall, NRO/DCIP/CQVB, NRC
Mr. Geary S. Mizuno, OGC/GCLR/RMR, NRC
Mr. William F. Burton, NRO/DNRL/DDIP/NR, NRC
NRC Document Control Desk