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VICE PRESIDENT
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NUCLEAR GENERATION DIVISION

June 15, 2012

Mr. Timothy J. McGinty
Director, Division of Policy and Rulemaking
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: Cumulative Effects of Regulations (CER)

Project Number: 689

Dear Mr. McGinty:

The purpose of this letter is to reiterate key points made by industry representatives during the public meeting held May 31. We appreciated the opportunity to participate in this important meeting, and we look forward to future interactions on development of a process for assessment of cumulative effects of NRC regulatory actions. This letter supplements the points noted in my December 7, 2010, letter on the same subject.

We continue to believe an integrated multi-year planning tool will be necessary to effectively manage the totality of regulatory actions. Such a tool, if made publicly available, would allow external stakeholders to better understand the priority, safety significance, risk significance, interdependencies, milestone dates, resource loading, and implementation schedules associated with regulatory actions under development. Additionally, such information would be useful for effective engagement with affected stakeholders to discuss cumulative effects of regulatory actions throughout the development process. This is becoming increasingly important in light of the regulatory actions being pursued to address the recommendations of the NRC Fukushima Near Term Task Force report.

As we understood from the discussion during the May 31 meeting, the NRC has a recently revised common prioritization of rulemaking process and that some of the key factors considered in this process are NRC strategic goals, and internal and external interests. This prioritization process may provide an excellent starting point to build upon and develop the integrated tool mentioned earlier. We also understand this is an internal process; however, we recommend engagement with external

stakeholders to better inform this process relative to impacts of proposed rulemakings on different licensees.

The two graphics we distributed at the meeting: one for power reactors and the second for fuel cycle facilities were intended to provide a visualization of one level of cumulative effects of regulations. They did not identify all of NRC regulations under development or the regulatory actions associated with generic communications, backfits, inspections, etc. Nor did they reflect ongoing facility-specific regulatory actions, e.g., license amendments and enforcement actions.

During the meeting there was brief discussion of the application of the CER process enhancements when adopting consensus standards. For example, we made the point that the NRC revisions to 10 CFR 50.55a, Codes and Standards, imposes significant burden on licensee inservice inspection (ISI), inservice testing (IST), and repair/replacement programs. The biennial revisions to this regulation and periodic revisions to the associated regulatory guides impose new regulatory positions that are used by NRC to endorse, condition the use of, or reject Code Cases and provisions of addenda and editions to the ASME Boiler and Pressure Vessel Code. This results in licenses submitting alternatives, relief requests, or exemptions in addition to the 10-year update. Other NRC licensees such as fuel cycle facilities have similar concerns with such a limited scope to CER evaluations. Therefore, we believe NRC regulatory actions involving codes and standards should be included in the scope of cumulative effects of regulations.

We propose to work with you and your staff in developing a structured and transparent process for the assessment of cumulative effects of regulatory actions. Such a process might include the following elements:

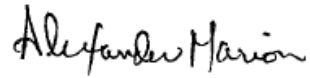
- Criteria associated with regulatory actions (safety significance, risk significance, compliance, etc.)
- Criteria associated with cumulative effect (industry wide, fleet wide or site specific impacts, implementation schedules, resource implications, etc.)
- Affected stakeholders (applicability to classes of licensees)
- Applicability to individual or numbers of regulatory actions over a multi-year period
- Development of an appropriate template/checklist
- Periodic review involving key stakeholders and NRC interoffice working group and steering committee

We believe the development of such a transparent process would better inform stakeholders of the NRC's current and proposed regulatory actions so that appropriate information can be included in an improved regulatory process that gives due consideration to cumulative effects.

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We look forward to working with you and your staff in the development of a process for assessing cumulative effects of regulatory actions. Please contact me at 202.739.8080; axm@nei.org should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Alexander Marion". The script is cursive and fluid.

Alexander Marion

c: Mr. Timothy A. Reed, NRR/DPR/PRB, NRC
Ms. Tara Inverso, NRR/DPR/PRB, NRC