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NUCLEAR ENERGY INSTITUTE

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March 7, 2013

Ms. Cindy K. Bladey
Chief, Rulemaking Announcements, and Directives Branch
Office of Administration
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

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RULES AND DIRECTIVES
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USNRC

Subject: Standard Review Plan for Review of Fuel Cycle Facility License Applications (NUREG-1520);
Docket ID NRC-2012-0220

Project Number: 689

Dear Ms. Bladey:

On behalf of the fuel cycle industry, the Nuclear Energy Institute (NEI)¹ appreciates the early opportunity to provide comments on plans to revise NUREG-1520, Revision 1 "Standard Review Plan of a License Application for a Fuel Cycle Facility" and issue a new Interim Staff Guidance on Integrated Safety Analysis (ISA) implementation issues (77 FR 236). We look forward to future discussions with the U.S. Nuclear Regulatory Commission (NRC) staff where we could discuss in more detail the scope, purpose, and project plan which guides these efforts, along with its priority when compared to other regulatory initiatives currently impacting the fuel cycle facilities. Such input from the staff on this project will assist industry in providing specific and timely input. Also, we request that NRC identify at what early stage in the guidance drafting process the staff would consider specific comments or edits to improve NUREG-1520, such as the ones industry offered prior to issuance of Revision 1 in May 2010. We trust the staff will find the comments contained in this letter useful.

First, based on the Federal Register Notice (FRN), it appears that the proposed modifications to NUREG-1520 are attempting to address an ISA-related inspection matter. Specifically, NRC inspectors will on occasion refer to existing guidance (e.g., NUREG-1520) when making "adequacy" determinations on NRC-approved ISAs currently implemented at operating facilities. In the absence of an ISA Manual Chapter or Inspection Procedure to guide such reviews, it is understandable, albeit inappropriate, that an inspector would consult

¹ The Nuclear Energy Institute (NEI) is the organization responsible for establishing unified industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all entities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel cycle facilities, nuclear materials licensees, and other organizations and entities involved in the nuclear energy industry.

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NUREG-1520 for assistance during an inspection. We suggest that inspections of the ISAs focus on its implementation, its management measures, and the reliability of the Items Relied on for Safety (IROFS) as presented in the ISA. If an "adequacy" question is identified within the course of an inspection, this question should be referred to the appropriate NRC program owners for resolution.

Secondly, as you are aware, there are several initiatives afoot involving ISAs that warrant careful consideration due to their interdependencies and potentially competing priorities. Specifically, 1) industry awaits issuance and implementation of a revised Part 40--expected to include new ISA requirements--and an NRC determination regarding how some Part 70 facilities would be impacted; 2) industry is currently involved with the American Nuclear Society's effort to develop a new ISA standard; and 3) industry will review and provide comments on potential ISA-related modifications to NUREG-1520 and a new Interim Staff Guide on ISA implementation issues. It is unclear how these efforts are being coordinated internally and with industry to ensure no unnecessary overlaps, gaps, or inconsistencies and that any source of confusion is identified and resolved early during the process.

Third, NRC's expectation of industry once new or revised ISA-related guidance is issued is not stated or obvious. For example, when NUREG-1520, Revision 1 was issued in May 2010, NRC did not expect licensees to re-review or make modifications to their ISAs as a result of the revised guidance. We trust that NRC would have the same expectation in this instance. More specifically, the May 2010 revisions to NUREG-1520 highlight the disparity between changes to the standard review plan and changes to existing, implemented NRC-approved ISAs. Two examples are as follows:

- 1) Incomplete list of IROFS – During inspections that followed NRC approval of the ISA Summaries, questions were raised regarding whether a facility's IROFS list was complete. As a result, NUREG-1520 section 3.4.3.2 (6) (a & b) was revised in May 2010 (Rev. 1) to provide additional guidance on what should be listed as an IROFS. However, approved facility ISAs were not required to be revised to address the added guidance, unless they were being re-worked based on an enforcement action. Questions regarding what should be listed as IROFS continue.
- 2) Natural Phenomenon – NUREG-1520 Appendix D was added in May 2010 (Rev. 1) to provide "additional guidance for reviewing the applicants (or licensee's) evaluation of natural phenomena hazards up to and including highly unlikely events for both new and existing facilities." While the approved facility ISAs were not required to be revised to address the added guidance, the NRC post-Fukushima 2012 inspections appeared to use Appendix D of NUREG-1520 as acceptance criteria.

Fourth, we request clarification on the proposed new Chapters 12 (Material Control and Accounting) and 13 (Physical Protection). The need for these chapters is not clear nor is their relationship to and impact on existing guidance (NUREG-1280 and NUREG-1065 as noted in the Abstract of NUREG 1520) or the planned Part 73 and Part 74 rulemakings underway. Industry would benefit from additional insight on the staff's intent in these areas and the prioritization and timing of each.

Ms. Cindy K. Bladey

March 7, 2013

Page 3

Finally, as the introduction to NUREG-1520 states, this document is the standard review plan for NRC's review and evaluation of the health, safety, and environmental aspects of license applications to construct, modify, and operate fuel cycle facilities. It is not a substitute for regulations and compliance is not required. Therefore, we trust that NUREG-1520 will also note to the reviewer that applicants have the flexibility to propose alternate means of demonstrating compliance with the applicable requirements.

As we have discussed with NRC staff, industry would appreciate a public dialogue prior to the publication of a draft document for review and comment, and we understand that this topic will be included on the agenda for the April 11, 2013 public meeting in Atlanta.

If you have any questions, please feel free to contact me or Andrew Mauer at 202-739-8018; anm@nei.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Janet R. Schlueter".

Janet R. Schlueter

c: Mr. John D. Kinneman, NMSS/FCSS, NRC
Mr. Larry L. Campbell, NMSS/FCSS, NRC
Mr. Soly I. Soto, NMSS/FCSS/PORSB, NRC