

May 6, 2013

MEMORANDUM TO: John D. Kinneman, Director  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

THRU: Michael Franovich, Chief */RA/*  
Programmatic Oversight  
and Regional Support Branch  
Division of Fuel Cycle Safety  
and Safeguards,  
Office of Nuclear Material Safety  
and Safeguards

FROM: Soly Soto, Project Manager */RA/*  
Programmatic Oversight  
and Regional Support Branch  
Division of Fuel Cycle Safety  
and Safeguards,  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT: SUMMARY OF PUBLIC MEETING TO DISCUSS INITIATIVES  
RELATED TO THE FUEL CYCLE INDUSTRY

The staff of the U.S. Nuclear Regulatory Commission met with Nuclear Energy Institute representatives in a Category 2 public meeting on April 11, 2013. The purpose of this meeting was to discuss the status of several initiatives involving the fuel cycle industry. Discussions included the status of Title 10 of the *Code of Federal Regulations*, "Reporting of Defects and Noncompliance" rulemaking; Revision 2 to NUREG-1520, "Standard Review Plan for the Review of License Application for a Fuel Cycle Facility;" draft NUREG-2154, "Acceptability of Corrective Action Programs for Fuel Cycle Facilities;" Cumulative Effects of Regulations and Treatment of Natural Phenomena Hazards at Fuel Cycle Facilities. No regulatory decisions or commitments were made during the meeting.

Enclosures:

1. Meeting Summary
2. Attendance List

cc w/enclosures:

Janet Schlueter  
Andrew Mauer

MEMORANDUM TO: John D. Kinneman, Director  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

THRU: Michael Franovich, Chief /RA/  
Programmatic Oversight  
and Regional Support Branch  
Division of Fuel Cycle Safety  
and Safeguards,  
Office of Nuclear Material Safety  
and Safeguards

FROM: Soly Soto, Project Manager /RA/  
Programmatic Oversight  
and Regional Support Branch  
Division of Fuel Cycle Safety  
and Safeguards,  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT: SUMMARY OF PUBLIC MEETING TO DISCUSS INITIATIVES  
RELATED TO THE FUEL CYCLE INDUSTRY

The staff of the U.S. Nuclear Regulatory Commission met with Nuclear Energy Institute representatives in a Category 2 public meeting on April 11, 2013. The purpose of this meeting was to discuss the status of several initiatives involving the fuel cycle industry. Discussions included the status of Title 10 of the *Code of Federal Regulations*, "Reporting of Defects and Noncompliance" rulemaking; Revision 2 to NUREG-1520, "Standard Review Plan for the Review of License Application for a Fuel Cycle Facility;" draft NUREG-2154, "Acceptability of Corrective Action Programs for Fuel Cycle Facilities;" Cumulative Effects of Regulations and Treatment of Natural Phenomena Hazards at Fuel Cycle Facilities. No regulatory decisions or commitments were made during the meeting.

Enclosures:  
3. Meeting Summary  
4. Attendance List

cc w/enclosures:  
Janet Schlueter  
Andrew M

**DISTRIBUTION:**

C. Haney, NMSS	S. Moore, NMSS	M. Bailey, NMSS	T. Gody, RII
V. Mccree, RII	F. Brown, RII	A. Blamey, RII	N. Coover, RII

**ML13113A251**

<b>OFFICE</b>	NMSS/FCSS/PORSB	NMSS/FCSS	NMSS/FCSS/PORSB
<b>NAME</b>	SSoto	TBrockington	MFranovich
<b>DATE</b>	04/25 /2013	04/25/2013	05/06/2013

**OFFICIAL RECORD COPY**

## MEETING SUMMARY

**DATE AND TIME:** April 11, 2013, 8:00 A.M. – 4:30 P.M. (EDT)

**PLACE:** W Hotel Downtown Atlanta  
45 Ivan Allen Jr. Blvd, Studio 6  
Atlanta, GA 30308

**CATEGORY 2:** The public was invited to participate in this meeting by discussing regulatory issues with the U.S. Nuclear Regulatory Commission (NRC) at designated points identified on the agenda.

**PURPOSE:** The purpose of this meeting was to discuss the status of several initiatives involving the fuel cycle industry. Discussions included the status of Title 10 of the *Code of Federal Regulations* (10 CFR), “Reporting of Defects and Noncompliance” rulemaking; Revision 2 to NUREG-1520, “Standard Review Plan for the Review of License Application for a Fuel Cycle Facility;” draft NUREG-2154, “Acceptability of Corrective Action Programs for Fuel Cycle Facilities;” Cumulative Effects of Regulations; and unresolved items regarding the treatment of hazards from natural phenomena at fuel cycle facilities.

**ATTENDEES:** See enclosure 2

### DISCUSSION:

The NRC staff and representatives of the Nuclear Energy Institute (NEI) held a Category 2 public meeting on April 11, 2013, to discuss the status of several initiatives involving the fuel cycle industry. The staff presented the status of 10 CFR Part 21 (Part 21), “Reporting of Defects and Noncompliance” rulemaking; Revision 2 to NUREG-1520, “Standard Review Plan for the Review of License Application for a Fuel Cycle Facility;” draft NUREG-2154, “Acceptability of Corrective Action Programs for Fuel Cycle Facilities;” Cumulative Effects of Regulations; and unresolved items regarding the treatment of hazards from natural phenomena at fuel cycle facilities. The NRC staff provided the opportunity for open discussions at designated points to get stakeholders’ perspectives and feedback regarding these topics.

#### 10 CFR Part 21 Rulemaking

NRC staff provided background on aspects of Part 21 rulemaking initiatives including a discussion of the rulemaking schedule and clarification of the scope of the basic component definition outlined in Revision 0 of the draft regulatory basis. The NRC staff also discussed the regulatory basis for linking the performance requirements of 10 CFR 70.61 to systems, structures, and components whose failure could create a substantial safety hazard; comparison of reactor and nonreactor basic components; NRC regulation of chemical consequences as outlined by a Memorandum of Understanding between the NRC and the Occupational Health and Safety Administration; and the ways of complying with Part 21.

Industry provided feedback on the presentation and the remaking effort and noted that the clarification of the definition of basic component could lead some licensees to avoid using engineered items relied on for safety (IROFS) due to the perceived increase in regulatory burden. Some licensees expressed concern that the staff's proposal to disallow credit for administrative IROFS in some situations for Part 21 compliance purposes was unnecessarily restrictive. Licensees stated that they did not understand the rationale for the rulemaking and were not aware of any safety implications at fuel cycle facilities that justified the rulemaking. Multiple licensees gave feedback regarding implementation of Part 21 and consequences that may be deemed a substantial safety hazard. The industry stated that they are in compliance with the current Part 21 requirements. Regarding basic components as defined in Part 21, one licensee stated that they do not have IROFS that are basic components, while another stated that they treat all IROFS as basic components and evaluate deviations in all IROFS to determine if they could create a substantial safety hazard. NRC staff welcomed the feedback and recognizes that there will be continued discussion on this subject during future meetings.

#### NUREG 1520, "Standard Review Plan for the Review of License Application for a Fuel Cycle Facility"

The NRC staff provided a presentation on the proposed changes for Revision 2 to NUREG-1520, "Standard Review Plan for the Review of License Application for a Fuel Cycle Facility." The purpose of this presentation was to provide the status of Revision 2 to NUREG 1520 (or Standard Review Plan [SRP]), to seek industry/stakeholder input on areas for revision and to provide a path forward. The NRC staff provided background information on the initial purpose of Revision 2 to the SRP and why it changed as a result of SRM-SECY-12-0091, "Completeness and Quality of Integrated Safety Analyses." The staff explained that SRM-SECY-12-0091 directed the staff to (1) request the American Nuclear Society (ANS) to develop an integrated safety analysis (ISA) standard, (2) not revise guidance in NUREG-1520 in ISA topics related to the ANS standard, and (3) issue an interim staff guidance to address ISA implementation issues. In addition, the NRC staff discussed the proposed changes for Revision 2 to the SRP, and the comments received from the industry on March 7, 2013.

The staff discussed with the industry that a number of interdependent activities related to fuel cycle facilities need to be considered and coordinated while revising the SRP and developing any ISA-related guidance. The NRC staff also recognized and communicated to stakeholders that revision to Chapter 3, "Integrated Safety Analysis and Integrated Safety Analysis Summary," if any, needs to be carefully planned. The staff communicated that is currently scoping out the changes that are needed in the SRP. Once the changes needed have been identified, including consideration of industry and other public comments, the staff will develop a plan for the revision of NUREG-1520 and will issue a draft SRP for public comment in the future.

The industry agreed that the interdependent activities related to fuel cycle facilities need to be carefully coordinated while revising the SRP and developing any ISA-related guidance. The industry communicated its interest in being involved in the development of the plan to revise the SRP and to provide feedback on the approach for the revision. NEI reminded the NRC staff about the comments submitted in February 2010, for Revision 1 to NUREG-1520 and suggested consideration of those comments for Revision 2 of the SRP. Industry officials questioned the need to update the SRP at this time as a regulatory priority. They noted that licensee resources would be needed to review and comment on the proposed changes to the SRP. The staff noted that the SRP is a knowledge management tool and that the SRP updates are important to capture recent licensing experience, improve regulatory clarity, and help

transfer staff knowledge in the face of NRC staffing turnover.

The NRC staff welcomed the feedback and recognizes that there will be continued discussion on this subject during future meetings.

#### Draft NUREG-2154, "Acceptability of Corrective Action Programs for Fuel Cycle Facilities"

NRC staff provided a presentation on draft NUREG-2154, "Acceptability of Corrective Action Programs for Fuel Cycle Facilities." The draft NUREG provides guidance for the NRC staff review of corrective action programs (CAPs) for fuel cycle facilities to determine if applicants, licensees, and certificate holders have developed an acceptable CAP to enable them to take advantage of provisions in the revised NRC Enforcement Policy. The NRC Enforcement Policy was updated in January 2013, to allow Severity Level IV violations to be dispositioned as non-cited violations if the NRC determines that an adequate CAP has been implemented by the licensee and certain criteria in the Enforcement Policy have been met. The NRC staff described the draft NUREG requirements, the process for submittal of CAPs for NRC review, and the effectiveness reviews that will be conducted via inspection after NRC review and approval of the documented CAP submittal.

Industry remarked that there is the potential that the incentive for developing and implementing CAPs may not be robust enough to spur widespread participation by fuel cycle facilities. However, other participants in the meeting inquired as to how soon NRC would be prepared to implement CAP reviews such that they could get NRC review of their CAPs and begin participation in the near future. NRC staff indicated that they are prepared to begin reviews using the draft NUREG as they do not expect significant changes in the draft guidance that would prohibit its use at this time. Region II also indicated that they could do pilot inspections using existing guidance should there be an interest to develop and implement CAPs prior to completion of the CAP inspection procedure development.

There was also discussion of potential alternative methods for CAP reviews that would minimize the burden to industry. One recommendation was to convert the draft NUREG to a Regulatory Guide (RG) that applicants, licensees, and certificate holders could commit to rather than be required to submit a written CAP for NRC licensing review. The CAP implementation would still be verified through inspection, but the licensing phase could be simplified through use of a brief license amendment request incorporating a commitment to follow the RG. Industry representatives also suggested that the NRC staff consider evaluating the effectiveness of licensee CAPs only using onsite inspections, without a licensing review. NRC staff will consider these and other alternate approaches based on feedback from the public meeting.

The handling of security information within the CAP and clarification of NRC expectations for trending of conditions adverse to safety and security were also discussed. The public comment period for the draft NUREG ended April 22, 2013.

#### Cumulative Effect of Regulation

The NRC staff provided a presentation on Cumulative Effects of Regulation (CER). During its presentation, the staff discussed the NRC's position on CER, the Commission's direction to the staff, the relationship between the Office of Fuel Cycle Safety and Safeguards (FCSS) regulatory activities and CER, and provided a path forward. The staff communicated that the NRC's mission is to ensure that our regulatory actions contribute to and do not detract from safety and security consistent with NRC's Principles of Good Regulation. The NRC staff is

enhancing its rulemaking process to more systematically address CER considerations. The staff also highlighted implementation of CER principles in several major ongoing FCSS activities.

In addition, the staff communicated that the NRC will take lessons learned from the rulemaking process and will likely expand the CER process enhancements to other actions such as generic communications, new or revised guidance, and other areas that have generic applicability. The staff discussed that the Commission direction is to continue to develop and implement outreach tools by gathering input from all interested external parties on the effectiveness of NRC's CER process. In accordance with that Commission direction, the staff will seek volunteer facilities to perform 'case studies' regarding licensee actual costs of implementing certain NRC rules. The staff also discussed that the NRC will implement Commission's direction by applying CER principles to other regulatory actions and will continue to engage with the industry and other external stakeholders.

Industry representatives noted their recent efforts to better control cumulative impacts of industry self-initiatives that may divert resources and attention from safe and secure operation of nuclear facilities. The industry representative called for increased transparency of NRC rulemaking schedules and other regulatory activities so that they may budget and plan for future work with the NRC. Some fuel facility licensees noted ongoing Part 26 rulemaking and cyber security regulatory work as examples where they could benefit from more frequent dialog with the NRC. As noted in Commission paper SECY-12-0137, the staff publishes semiannual updates of NRC rulemaking activities and plans to increase openness and transparency of the NRC rulemaking prioritization process.

During the meeting, staff thanked NEI for its April 3, 2013, Letter, "Cumulative Impact of Regulation on Fuel Cycle Facilities – Input for Discussion at April 11, 2013, Public Meeting in Atlanta, Georgia." (Agencywide Documents Access and Management System [ADAMS] Accession Number ML13095A366), and expressed appreciation for its timely issuance and input for the discussion of several agenda items.

#### Treatment of Natural Phenomena Hazards at Fuel Cycle Facilities

NRC staff provided a presentation on aspects of the "Treatment of Natural Phenomena Hazards at Fuel Cycle Facilities." The NRC staff provided background information on the implementation and results of Temporary Instruction 2600/015, "Evaluation of Licensee Strategies for the Prevention and/or Mitigation of Emergencies at Fuel Facilities," in which a number of unresolved items (URIs) were issued by the NRC to existing fuel cycle facilities. The staff also discussed that due to the similarity of the URIs, the NRC considers them to represent a generic issue. The staff provided information on its plans to develop a draft NRC Generic Letter to address the URIs and the treatment of natural phenomena hazard events at fuel cycle facilities. Information was provided on the major milestones of the development of a Generic Letter, opportunities for stakeholder involvement and a preliminary methodology to address the URIs. The NRC staff restated its interest in working with industry to establish an acceptable standard methodology to address the URIs and requested industry feedback on the estimated burden on information collection (estimated hours) for each facility to respond to the NRC.

Industry provided feedback on the presentation and noted that the industry provided a proposed methodology for addressing the URIs by letter titled, "Treatment of Natural Phenomena Hazards

in the Integrated Safety Analysis,” dated October 12, 2012 (ADAMS ML122960052). Licensees stated that they are expecting feedback from the NRC on an acceptable methodology to address the URIs and inquired about future meetings with the NRC to discuss details on this topic. Several licensees questioned the staff proposed use of the NRC generic letter process to resolve the URIs. Their principal issue was the time involved to issue a generic letter. Their preference was for quicker, site-specific feedback from the NRC. The staff noted that it was important to have clear and comprehensive regulatory communication and technical position on the topic. The staff’s communication would be vetted with the NRC’s Committee to Review Generic Requirements to ensure appropriate NRC staff conformance with NRC backfitting requirements. The industry proposed to the NRC that a meeting on this topic during the Fuel Cycle Information Exchange will be beneficial. NRC staff welcomed the feedback and recognizes that there will be continued discussion on this subject during future meetings.

**ACTION ITEMS:**

None

**ATTACHMENTS:**

Documentation and presentation slides related to this public meeting are publicly available can be found in ADAMS by using the following accession numbers:

1. Meeting Agenda - ML13079A455
2. Rulemaking: 10 CFR Part 21, “Reporting of Defects and Noncompliance” – ML13099A052
3. Outline of Changes: NUREG-1520, “Standard Review Plan for the Review of a License Application for a Fuel Cycle Facility” – ML13099A051
4. Draft NUREG-2154, “Acceptability of Corrective Action Programs for Fuel Cycle Facilities” – ML13099A088
5. Cumulative Effects of Regulation – ML13101A009
6. Treatment of Natural Phenomena Hazards at Fuel Cycle Facilities – ML13099A050

## ATTENDEES LIST

### Public Meeting to Discuss Initiatives Related to Fuel Cycle Facilities

Atlanta, GA - April 11, 2013

Name	Affiliation	E-mail
Bob Link	AREVA	<a href="mailto:Robert.Link@areva.com">Robert.Link@areva.com</a>
Charlie Vaughan	NEI	<a href="mailto:Vcm3@earthlink.net">Vcm3@earthlink.net</a>
Janet Schlueter	NEI	<a href="mailto:jrs@nei.org">jrs@nei.org</a>
Jennifer Wheeler	NFS	<a href="mailto:jkwheeler@nuclearfuelservices.com">jkwheeler@nuclearfuelservices.com</a>
John Miller	INIS	<a href="mailto:jimiller@intisoid.com">jimiller@intisoid.com</a>
Dave Kehoe	MOX Services	<a href="mailto:dkehoe@moxproject.com">dkehoe@moxproject.com</a>
Mike Franovich	NRC	<a href="mailto:Mike.Franovich@nrc.gov">Mike.Franovich@nrc.gov</a>
John Kinneman	NRC	<a href="mailto:John.kinneman@nrc.gov">John.kinneman@nrc.gov</a>
Andrew Mauer	NEI	<a href="mailto:anm@nei.org">anm@nei.org</a>
Nancy Parr	Westinghouse	<a href="mailto:parrnb@westinghouse.com">parrnb@westinghouse.com</a>
Tim Sippel	NRC	<a href="mailto:Timothy.Sippel@nrc.gov">Timothy.Sippel@nrc.gov</a>
Christopher Tripp	NRC	<a href="mailto:Christopher.Tripp@nrc.gov">Christopher.Tripp@nrc.gov</a>
Dennis Damon	NRC	<a href="mailto:Dennis.Damon@nrc.gov">Dennis.Damon@nrc.gov</a>
Victor Hall	NRC	<a href="mailto:Victor.Hall@nrc.gov">Victor.Hall@nrc.gov</a>
Larry Campbell	NRC	<a href="mailto:Larry.Campbell@nrc.gov">Larry.Campbell@nrc.gov</a>
Robert Robertson	Honeywell	<a href="mailto:Robert.Robertson2@Honeywell.com">Robert.Robertson2@Honeywell.com</a>
Charles Slama	URENCO	<a href="mailto:cslama@nefnm.com">cslama@nefnm.com</a>
Paul Peduzzi	NRC	<a href="mailto:Francis.Peduzzi@nrc.gov">Francis.Peduzzi@nrc.gov</a>
Kurt Cozens	NRC	<a href="mailto:Kurt.Cozens@nrc.gov">Kurt.Cozens@nrc.gov</a>
Albert Kennedy	GNF	<a href="mailto:albertE.kennedy@ge.com">albertE.kennedy@ge.com</a>
Don Parker	AREVA	<a href="mailto:Don.Parker@areva.com">Don.Parker@areva.com</a>
Mike Boren	USEC	<a href="mailto:borenml@pgdp.usec.com">borenml@pgdp.usec.com</a>
Jim Kay	AREVA	<a href="mailto:Jim.Kay@areva.com">Jim.Kay@areva.com</a>
David Spangler	B&W NOG	<a href="mailto:dlsplangler@babcock.com">dlsplangler@babcock.com</a>
Leonard Wert	NRC	<a href="mailto:Leonard.wert@nrc.gov">Leonard.wert@nrc.gov</a>
Victor McCree	NRC	<a href="mailto:Victor.Mccree@nrc.gov">Victor.Mccree@nrc.gov</a>
Sabrina Atack	NRC	<a href="mailto:Sabrina.Atask@nrc.gov">Sabrina.Atask@nrc.gov</a>
Soly Soto	NRC	<a href="mailto:Soly.Soto@nrc.gov">Soly.Soto@nrc.gov</a>
Tim Knowles	URENCO	<a href="mailto:tknowles@nefnm.com">tknowles@nefnm.com</a>
Dealis Gwyn	MOX Services	<a href="mailto:dwgwyn@moxproject.com">dwgwyn@moxproject.com</a>
Vernon J. Shanks	USEC-ACP	<a href="mailto:shanksvj@pgdp.usec.com">shanksvj@pgdp.usec.com</a>
Scott Murray	GE Hitachi	<a href="mailto:Scott.Murray@ge.com">Scott.Murray@ge.com</a>
Tony Gody	NRC	<a href="mailto:Tony.Gody@nrc.gov">Tony.Gody@nrc.gov</a>
Mark Lesser	NRC	<a href="mailto:Mark.Lesser@nrc.gov">Mark.Lesser@nrc.gov</a>
Manuel Crespo	NRC	<a href="mailto:Manuel.Crespo@nrc.gov">Manuel.Crespo@nrc.gov</a>
Sandra Mendez	NRC	<a href="mailto:Sandra.Mendez-Gonzalez@nrc.gov">Sandra.Mendez-Gonzalez@nrc.gov</a>
Lisa Castelli	NRC	<a href="mailto:Lisa.Castelli@nrc.gov">Lisa.Castelli@nrc.gov</a>
Cynthia Taylor	NRC	<a href="mailto:Cynthia.Taylor@nrc.gov">Cynthia.Taylor@nrc.gov</a>
Nicole Coover	NRC	<a href="mailto:Nicole.Coover@nrc.gov">Nicole.Coover@nrc.gov</a>
Jonathan Marcano	NRC	<a href="mailto:Jonathan.Marcano@nrc.gov">Jonathan.Marcano@nrc.gov</a>
Alan Blamey	NRC	<a href="mailto:Alan.Blamey@nrc.gov">Alan.Blamey@nrc.gov</a>