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August 28, 2014

Mr. Michael E. Mayfield
Director
Division of Advanced Reactors and Rulemaking
Office of New Reactors
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Mr. Michael C. Cheok
Director
Division of Construction Inspection and
Operational Programs
Office of New Reactors
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: Submittal of NEI 14-09, *Guidelines for Implementation of 10 CFR Part 21 Reporting of Defects and Noncompliance*, Revision 0, dated August 2014

Project Number: 689

Dear Mr. Mayfield and Mr. Cheok:

On behalf of the nuclear industry, the Nuclear Energy Institute (NEI)¹, is pleased to submit to the U.S. Nuclear Regulatory Commission (NRC) the attached NEI 14-09, *Guidelines for Implementation of 10 CFR Part 21 Reporting of Defects and Noncompliance*, Revision 0, dated August 2014. We request that the NRC review NEI 14-09 for endorsement through a Regulatory Guide.

NEI 14-09 fulfills the need for guidance on the evaluation and reporting requirements in 10 CFR Part 21 identified in SECY-11-0135. The NRC has created DG-1291 and indicated the possibility of using this draft Regulatory Guidance to endorse industry guidance. As discussed in our recent letter to the NRC (ML1419B196), we believe that all of the issues identified by the NRC can be resolved through guidance, and that NRC review and endorsement of NEI 14-09 could avoid an unnecessary Part 21 rulemaking.

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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The guidance describes an approach that nuclear power plant licensees and their suppliers of basic components can take to comply with the evaluation and reporting requirements in 10 CFR Part 21. It is based mostly upon NUREG-0302, Revision 1, which was issued when 10 CFR Part 21 was first promulgated in 1977, and provides clarifications in the form of questions and answers. NEI 14-09 is also based upon the statements of consideration associated with subsequent rulemakings to amend 10 CFR Part 21. Additional clarity is included, consistent with our transmittal to the NRC earlier this year (ML14059A217 and ML14059A218), to address issues identified recently by the NRC (ML12248A200). These additional areas are highlighted to direct the reader to the new content and to aid the NRC in their review. This guidance is not intended to describe the approach used by other categories of NRC licensees, such as fuel cycle facilities, to comply with Part 21.

We appreciate the NRC's consideration of the guidance and request a meeting to discuss it in more detail. If you have any questions, please feel free to contact me, or Marc Nichol (202.739.8131; mrn@nei.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Earls", with a stylized flourish at the end.

Christopher E. Earls

c: Mr. Glenn M. Tracy, NRO
Mr. Joseph Colaccino, NRO/DARR/NRGB
Ms. Kerri A. Kavanagh, NRO/DCIP/QVIB
Mr. Margaret M. Doane, OGC
NRC Document Control Desk