



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

October 11, 2019

MEMORANDUM TO: Kathryn M. Brock, Acting Director
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

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SUBJECT: SUMMARY OF SEPTEMBER 25, 2019, MEETING WITH THE
INDUSTRY AND STAKEHOLDERS TO DISCUSS FUEL CYCLE
REGULATORY ACTIVITIES AND CUMULATIVE EFFECTS OF
REGULATION

The staff of the U.S. Nuclear Regulatory Commission (NRC) met with representatives of the Nuclear Energy Institute (NEI), fuel cycle industry, and members of the public on September 25, 2019, in Rockville, Maryland. The purpose of this Category 2 public meeting was to discuss the status of several initiatives involving the fuel cycle industry. The NRC staff discussed the update on the Cumulative Effects of Regulation Integrated Schedule, building a smarter fuel cycle inspection and licensing programs, and NMSS activities on accident tolerant fuel (ATF) and increased enrichment. The meeting announcement and agenda is available in the Agencywide Documents Access and Management System (ADAMS) under Accession Number ML19267A243. The presentations (if provided), attendees list, and the fuel cycle integrated schedule and its supplement are available in ADAMS Package ML19260G152. No regulatory decisions or commitments were made during the meeting.

Cumulative Effects of Regulation

The NRC staff provided updates to the rulemaking and regulatory activities listed on the Integrated Schedule of Regulatory Activities for Fuel Cycle and Supplement. Industry and NEI were informed that Title 10 *Code of Federal Regulations* Part 74, "Material Control and Accounting of Special Nuclear Material" rulemaking activities have concluded. In Staff Requirements Memorandum, SRM-18-0104, "Draft Final Rule: Amendments to Material Control and Accounting Regulations (RIN 3150-AI61; NRC-2009- 0096), the Commission disapproved the draft final rule and directed staff to discontinue this rulemaking activity (ADAMS Accession Number ML19093B393).

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The NRC staff also informed meeting attendees about the issuance of “Interim Staff Guidance on Decommission Funding Plans for Material Licensees (ADAMS Accession Number ML19079A314). The purpose of this interim staff guidance is to provide NRC staff and industry with guidance based on developments and lessons learned in financial assurance since the last update to NUREG-1757, Vol. 3, Rev. 1, “Consolidated Decommissioning Guidance: Financial Assurance, Recordkeeping, and Timeliness” (NUREG-1757, Vol. 3). Because the above-mentioned activities have concluded, both were removed from the integrated schedule. The staff posted the integrated schedule and supplement on the public website available at <https://www.nrc.gov/materials/fuel-cycle-fac/regs-guides-comm.html#cumeffects>.

Building a Smarter Fuel Cycle Inspection Program

The NRC staff continued dialogue with NEI and fuel cycle industry representatives regarding NMSS initiative to improve the effectiveness and efficiency of the fuel cycle inspection program. The NRC staff provided additional clarification on options under consideration previously presented during a public meeting on September 12, 2019 (ADAMS Accession Number ML19254A588). The staff announced that it plans to hold another public meeting to present the report in draft form with the recommendations to the program.

Industry representatives expressed concern with the schedule of the initiative and asked for clarification on the implementation date of any recommendations to the program. The staff clarified that implementation date will be dependent on the scope of the recommendations. A detailed implementation plan will be developed by the staff soon after issuance of the WG report to identify all tasks (e.g. changes to inspection manual chapters, changes to inspection procedures, etc.) needed prior to implementation. The staff will also ensure all stakeholders are aware and fully cognizant of implementation dates and will use mechanisms such as public meetings to communicate with stakeholders dates for implementation. Therefore, the staff does not anticipate implementation of any recommendation that substantially change the inspection program in early calendar year 2020.

Industry representatives also expressed interest in more discussions on the basis for the proposals including the basis for increase in hours in some of the performance areas. In addition, industry representatives expressed interest in having more dialogue regarding how the input provided by NEI on the Appendix B core hours was considered by the NRC in the development of the recommendations. The NRC asserted that the primary goal of the staff initiative is to right-size the inspection program to ensure that the appropriate focus is applied on the inspection areas needed for us to accomplish agency goals. The staff also asserted that risk insights, operating experience, expert solicitation and allocation of hours to allow for the completion of performance-based inspections serves as the primary basis for the recommendations.

Industry representatives also indicated that one of their interests is the ability of the program to be predictable. The staff asserted that all recommendations will be evaluated consistent with the principles of good regulation that guide the manner in which the NRC conducts its business and that clarity of the inspection program will be a factor that will be evaluated.

The next public meeting is planned for November 2019.

Building a Smarter Fuel Cycle Licensing Program

The NRC staff continued dialogue with NEI and fuel cycle industry representatives regarding the NMSS initiative to increase the effectiveness and efficiency of the fuel cycle licensing program. The NRC staff presented the status of the initiative including receipt of additional suggestions

from internal stakeholders and continuing activities since the last public meeting on August 8, 2019 (ADAMS Accession Number ML19227A158).

There was general agreement on the activities being pursued under this initiative. The industry encouraged the staff to continue using the comment resolution table to capture suggested enhancements to the licensing program and the staff's proposed resolution under this initiative. The industry also commented the usefulness of the comment resolution table in directing the interactions and discussions. This approach was used to lead the discussions on the initiative at the August 8, 2019 public meeting. The industry also suggested that the comment resolution table be included in the working group report to summarize the final set of suggestions and associated recommendations.

The NRC staff also discussed the staff-initiated activity to develop an RAI process business-line instruction. This instruction, which is currently under development, leverages similar instructions in the spent fuel and reactor arenas. Once completed, the instruction is expected to be made publicly available. The NRC staff also indicated that this instruction could form the template for developing instructions for other aspects of a licensing review, such as: pre-application activities, acceptance review, and developing the draft safety evaluation.

The next public meeting is planned for November 2019.

NMSS Activities on ATF and Increased Enrichment

Accident Tolerant Fuel (ATF) is a set of new technologies that have the potential to enhance safety at U.S. nuclear power plants by offering better performance during normal operation, transient conditions, and accident scenarios. The nuclear industry is working to deploy batch loads of ATF designs in the operating nuclear reactors by late 2023. Therefore, the NRC staff is taking steps to make agency licensing processes more efficient and effective to enable timely licensing/certification. The NRC staff presented NMSS major accomplishments, activities, and updates regarding ATF and increased enrichment. Also presented were the NRC-identified licensing critical path and challenges. To improve the efficiency of regulatory efforts, the NRC encouraged NMSS licensees, certificate holders and applicants to engage in pre-application discussions and/or share any plans for submittals or licensing strategy. Industry representatives gave feedback on the critical path. An NEI representative commented on the usefulness of the critical path and continued to encourage NEI members to engage the NRC early in their plans to submit ATF related licensing actions. A representative from Urenco Inc stated the intent to submit a license amendment request to allow the enrichment of 5.5% Uranium-235.

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DATED: October 11, 2019

DISTRIBUTION:

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ADAMS Accession Number: ML19274D398

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