



UNITED STATES
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MEMORANDUM TO: Craig G. Erlanger, 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 26, 2017, 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, fuel cycle industry, and members of the public on September 26, 2017, in Rockville, MD. The purpose of this Category 2 public meeting was to discuss the status of several topics of mutual interest, including updates to the Cumulative Effects of Regulation Integrated Schedule; an overview of Inspection Manual Chapter (IMC) 0616, "Fuel Cycle Safety and Safeguards Inspection Reports," revision; an overview of Regulatory Guide (RG) 3.71, "Nuclear Criticality Safety Standards for Fuel and Material Facilities," Revision 3; topical areas for upcoming Interim Staff Guidance (ISG) on Financial Assurance; administrative regulations review; fee billing update; and NRC Lessons Learned from the Westinghouse uranium accumulation in scrubber and ventilation event. The meeting announcement is available in the Agencywide Documents Access and Management System (ADAMS) under Accession No. ML17262B235. The presentations, attendees list, the fuel cycle integrated schedule and supplement are enclosed. 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. The industry expressed concern about several activities with overlapping public interaction periods during the spring and fall of 2018. The NRC stated that as these schedules are further developed it will be cognizant of the public interaction periods and, if possible, adjust the schedules such that the industry is not overburdened providing comments on these activities. The NRC staff will review

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the information on the integrated schedule and supplement, and post these documents on the public website available at

<http://www.nrc.gov/materials/fuelcycle-fac/regs-guides-comm.html#cumeffects>.

IMC 0616, “Fuel Cycle Safety and Safeguards Inspection Reports” Revision

The NRC staff provided a summary of changes made to IMC 0616 which was issued on August 15, 2017 (ADAMS ML16160A380). In this revision, the staff changed term definitions to better align with Enforcement guidance, better defined roles and responsibilities, improved guidance for documenting violations using the 4-part format, and changed how licensee-identified non-cited violations are documented. The staff also made changes to Appendix B of IMC 0616 to improve guidance for assessing whether a violation is minor or more-than-minor (MTM). The staff also walked through the two new MTM examples that were added to the Appendix B.

RG 3.71, “Nuclear Criticality Safety Standards for Fuel and Material Facilities,” Revision 3

The NRC staff provided an overview of the draft RG 3.71, Revision 3, which was published in the Federal Register for public comment on August 24, 2017, for a 60-day comment period (82 FR 40173). This revision reflects updates on the changes that occurred with the American National Standards Institute/American Nuclear Society (ANSI/ANS-8) standards. In addition, the scope of this revision is expanded to include transportation and storage facilities under Title 10 of the *Code of Federal Regulations* (10 CFR) Parts 71 and 72. The draft RG 3.71 revision also endorsed International Organization for Standardization Standard 7753:1987, “Nuclear Energy—Performance and Testing Requirements for Criticality Detection and Alarm Systems.” This draft RG 3.71 revision applies to license applicants, licensees, and certificate holders authorized under 10 CFR Parts 70, 71, and 72.

Topical Areas for Upcoming ISG on Financial Assurance

The staff is currently developing a new ISG on financial assurance for material licensees. The NRC staff provided a presentation on the topics that will be included in this document. The topics include: addressing inventory in Decommissioning Cost Estimates; adding efficiency by directly addressing the 8 factors in 10 CFR 70.25(e)(2); use of risk-informed review; guidance on submitting originals; discussion on Side Letters; and guidance on developing a “sight” draft. The NRC staff provided the basis for the topics and how they will be addressed in the ISG. The draft ISG is scheduled to be complete and released for public comment in February 2018.

Administrative Regulations Review

The NRC staff discussed its initiative to review the administrative regulations. The NRC staff explained that the purpose of this review is to identify administrative regulations that are outdated or duplicative. Once identified, those regulations will be evaluated to determine if they can be eliminated without impacting the agency’s safety and security mission. The NRC is currently developing a strategy to accomplish its review and will seek input from stakeholders through public meetings and a *Federal Register* notice (FRN). Once a schedule has been developed, it will be added to the integrated schedule.

Fee Billing Update

The NRC staff provided an update on improvements to the NRC fee program. The NRC is currently working to increase transparency and efficiency in fee billing. The NRC staff is focused on enhancing work-tracking data, integrating agency data systems, and implementing an agencywide reporting tool. The NRC staff is also working to provide transparency on invoices by providing additional information such as staff names, project ID code, and project

description. The staff plans to implement electronic billing in fiscal year 2018 which will include email notification of invoices. In addition to the overall agency enhancement to fee billing, there is also a joint task fee billing project with the Office of Nuclear Material Safety and Safeguards and the Office of the Chief Financial Officer. The objective of this project is to identify and implement actions that will enhance the accuracy and continuously improve the fee billing for the Nuclear Materials and Waste Safety program. The NRC staff is currently working to complete this project.

Westinghouse Columbia Lessons-Learned Update

In response to the Westinghouse scrubber event that was reported to the NRC in July 2016, the NRC staff initiated a lessons-learned effort as part of the agency's focus on continuous improvement. In the report issued January 30, 2017 (ADAMS ML16330A642), the staff discussed areas recommended for further evaluation, which are divided into five categories: licensing, inspection, operating experience, roles and responsibilities, and knowledge management. The list of actions are available at <https://www.nrc.gov/materials/fuel-cycle-fac/regs-guides-comm.html#westinghouse>. The schedule on the website provides an overall timeframe for completion of the activity. Currently, the staff is working on the high priority items as described in the list of actions. During the meeting, the staff provided the purpose and status of the high priority items.

Enclosures:

1. Cumulative Effects of Regulation
Presentation (ML17268A184)
2. IMC 0616 Presentation (ML17268A185)
3. ISG on Financial Assurance
Presentation (ML17268A186)
4. RG 3.71 Revision 3
Presentation (ML17268A187)
5. Westinghouse Lessons Learned
Presentation (ML17297B471)
6. Integrated Schedule of Regulatory Activities
for Fuel Cycle (ML17297B468)
7. Supplement to the Fuel Cycle
Integrated Schedule (ML17297B470)
8. List of Attendees (ML17298A183)

C. Erlanger

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