



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

February 3, 2023

MEMORANDUM TO: Shana R. Helton, Director
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

THRU: Soly I. Soto Lugo, Chief
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

A handwritten signature in black ink, appearing to read "Soly I. Soto Lugo".

Signed by Soto Lugo, Soly
on 02/01/23

FROM: Jonathan G. Rowley, Project Manager
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

A handwritten signature in black ink, appearing to read "Jonathan G. Rowley".

Signed by Rowley
on 02/03/23

SUBJECT: SUMMARY OF OCTOBER 19, 2022, FUEL FACILITY STAKEHOLDER
PUBLIC MEETING

The staff of the U.S. Nuclear Regulatory Commission (NRC) conducted a hybrid meeting (in-person and virtual via Microsoft Teams) with representatives of the Nuclear Energy Institute (NEI), fuel facility industry, and members of the public on October 19, 2022. The purpose of this observation meeting (formerly category 2) was to discuss the status of several regulatory issues involving the fuel facility industry. Topics discussed during the meeting included the resolution of action items from the May 17 - 18, 2022, fuel facility stakeholder meeting; updates to the integrated schedule and its supplement; radioactive source security and accountability (RSSA) rulemaking; update on tracking of enriched uranium; perspectives on onsite, hybrid, and remote inspections; status of Smarter Licensing Program; Division Instruction Status and overall changes; fuel facility business line budget breakdown; introduction to category II inspection program; and Part 71 rulemaking.

The public meeting notice with the agenda topics, the meeting presentations, the fuel cycle integrated schedule, and its supplement are available in the Agencywide Documents Access

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and Management System (ADAMS) under Accession Numbers, [ML22291A003](#), [ML22290A248](#), [ML22290A247](#), [ML22287A053](#), and [ML22287A054](#), respectively. No regulatory decisions or commitments were made during the meeting.

The activities started with the NRC staff discussing the meeting's category and purpose, and the instructions and logistics for conducting it. Opening remarks by Shana Helton, Director of the Division of Fuel Management (DFM), and Janet Schlueter, Senior Advisor, Fuel and Low-Level Waste, NEI followed.

After the opening remarks, the NRC staff started the discussions by presenting the NRC staff resolution of the action items resulting from the May 2022 Fuel Facility Stakeholders Public Meeting. The action items were the following:

Action Item 1:

Make NRC meeting presentation materials public at least one week prior to the scheduled meeting date.

DFM has taken steps for planning and conducting the bi-annual fuel facility stakeholders meeting that will assure that meeting presentation materials will be ready to provide to NEI and the public at least 7 days prior to the meetings.

This action item is an ongoing periodic action.

Action Item 2:

Maintain a current and up to date integrated schedule of regulatory activities chart on the NRC public website.

The NRC website (<https://www.nrc.gov/materials/fuel-cycle-fac/regs-guides-comm.html#cumeffects>) was updated on November 16, 2021, and May 6, 2022.

This action item is an ongoing periodic action. The integrated schedule is updated at least twice a year.

Action Item 3:

The NEI/Industry suggested that integrated schedule of regulatory activities chart include the draft interim staff guidance (ISG) on security for facilities possessing category II special nuclear material.

This action item was incorrectly captured in the May 2022 meeting summary (ML22175A186). The NEI/Industry clarified in the meeting that they did not ask that a security ISG be added to the integrated schedule as they don't believe that a draft ISG or final ISG is needed.

As such, this action item is closed.

Action Item 4:

The NRC staff is to inquire how the industry was able to obtain two different versions of draft NUREG-2159.

Additional discussion with the NEI determined that the industry was reviewing the 2018 version of the draft NUREG. The staff confirmed that the ADAMS accession number was linked to the 2021 version and industry is working with the current version.

This action item is closed.

Action Item 5:

The NRC staff will consider the NEI/Industry suggestion of having a public meeting by the end of 2021 to discuss the tracking of higher enriched material.

A public meeting on tracking of higher enriched material was held on December 14, 2021; meeting notice ([ML21335A329](#)), presentation ([ML21344A149](#)).

This action item is closed.

Action Item 6:

The NRC intends to make certain licensing division instructions (DIs) publicly available.

The following four DIs were made publicly available in the Summer of 2022 after NRC staff were trained and had implemented the DIs for a couple months: Licensing Overview (LIC-FM-1), Acceptance Reviews (LIC-FM-2), Requests for Additional Information (LIC-FM-3), Safety Evaluation Reports (LIC-FM-4). The NRC and industry agreed that these DIs need additional "run-time." The NRC stated that there are no other DIs that staff expect to make public in the near-term.

This action item will remain open.

Action Item 7:

The NRC and the NEI/Industry will work to have the dates for the 2022 Fuel Facility Stakeholders Public Meetings (Spring and Fall) set by the end of January 2022 to help assist all parties with planning and preparation.

The Spring 2022 meeting date was set on December 28, 2021, for May 17 and 18, 2022. Moving forward, the NRC and NEI/Industry will work together to have the dates for future Fuel Facility Stakeholders Meeting set at least 3 months in advance.

This action item is an ongoing periodic action.

Integrated Schedule Chart and Supplement Updates

The NRC staff provided updates made between May 2022 and October 2022 to the rulemaking and regulatory activities impacting the fuel cycle industry listed on the integrated schedule of the

regulatory activities chart. The integrated schedule supplement was also updated with changes from May to October. A detailed summary of the changes to the chart is provided under ADAMS Accession Number [ML22287A053](#). The NRC staff posted the updated integrated schedule and updated supplement on the NRC public website site at <https://www.nrc.gov/materials/fuel-cycle-fac/regs-guides-comm.html#cumeffects>.

The NRC and industry staff suggested adding the potential revision to Part 37 onto the integrated schedule chart and noted that the upcoming roll-out and implementation of the controlled unclassified information (CUI) program might also be a good addition.

Radioactive Source Security and Accountability Rulemaking

The NRC staff from the Rulemaking Center of Expertise provided an overview and status of the RSSA rulemaking. The draft proposed rule is on schedule to be provided to the Commission in December 2022. Pending Commission review and approval, the proposed rule will be published in the *Federal Register* for public comment. The proposed rule would amend the regulations to further ensure validity of license applicants. This proposed rule also would enhance the requirement for a licensee transferring category 3 quantities of radioactive material to verify that the recipient (transferee) is licensed to receive the type, form, and quantity of radioactive material to be transferred. The NRC also is proposing a more stringent follow-up verification method for licensees that process an emergency shipment for transfers that are below category 2 quantities of radioactive material and to remove an obsolete verification method. Guidance for implementing the rule (in the form of frequently asked questions) will be posted on the NRC's public website when the proposed rule is issued for comment. The staff will conduct a public meeting during the public comment period.

Tracking of Enriched Uranium

The NRC and industry use the Nuclear Materials Management and Safeguards System (NMMSS) to track the movement and inventory of enriched uranium. Industry requested revision of the definition of E1 material to include all low enriched uranium enriched to <10 weight percent (wt %) (the E1 category now includes uranium enriched up to 5 wt %). The NRC held a public meeting June 22, 2022, to discuss this idea with stakeholders. At the June public meeting, NRC presented a prior approval process for assigning foreign obligations for blending of low enriched uranium up to 10 wt %. One licensee successfully used this process to obtain prior government approval in September 2022 for their anticipated future blending operations over this range of enrichment. The NRC staff and industry intend to keep using this process since any change to the definitions in the NMMSS may have unintended consequences for other current licensees and would have to be negotiated with the interagency.

Inspector's Perspective on Hybrid Inspection

With the onset of the COVID-19 pandemic, NRC inspections took advantage of flexibilities in the guidance to complete necessary inspection activities either onsite or remotely, or a hybrid combination of the two depending on the circumstances and inspection needs. Region II staff indicated that in-person inspections were most effective and efficient for most inspection activities but noted that there was some value added in the use of remote entrance/exit/debrief meetings and the use of electronic documents for inspection preparations when appropriate. The guidance in inspection manual chapter (IMC) 2600 provides the necessary flexibility for these activities. The NRC staff noted that the BOX file sharing system was a useful NRC tool for

sharing documents and noted that this might be a good practice for the NRC project managers and licensees to use the system instead of other methods.

Division of Fuel Management Guidance Development

The NRC staff discussed the status of four DFM DIs. The NRC staff informed the meeting attendees of a sample of the changes incorporated in LIC-FM-1, "Overview and Expectations of Certification and Licensing Process," LIC-FM-2, "Acceptance Review Process," LIC-FM-3, "Request for Additional Information," and LIC-FM-4, "Safety Evaluation Reports," which were recently made available to the public. Industry requested that the NRC to add links to the DIs on the [Fuel Cycle Facility Regulations Guidance, Communications, and Fuel Facility Stakeholders Meetings](#) webpage and urged that the NRC implement a one-year trial period before consideration of revisions.

The NRC staff also indicated that NUREG-2212, "Standard Review Plan for Applications for 10 CFR Part 70 Licenses for Possession and Use of Special Nuclear Materials of Critical Mass but Not Subject to the Requirements in 10 CFR Part 70, Subpart H," is expected to be published for public comment by the end of 2022.

Smarter Licensing Program

The Smarter Licensing initiative is an ongoing program begun in 2019 that was chartered to move toward greater efficiency in the fuel facility licensing program. The 30+ recommendations included in the initiative were divided into short, mid, and long-term timeframes for completion. Near and mid-term recommendations are incorporated into the four DIs discussed above. The NRC is tracking the long-term recommendations and will work on them as priorities allow. For example, one recommendation is to update NUREG-1520, "Standard Review Plan for Fuel Cycle Facilities License Applications," which would be a large effort. The NRC requested that industry provide feedback on the guidance document to determine priority for such an effort.

Non-fee Billable Activities

The NRC staff presented slides on the non-billable charges for fiscal year 2022 that were charged to the fuel facility business line. Industry requested the NRC staff identify which non-fee billable charges are fee exempt to better identify the charges that impact the licensee's annual fees. Industry presented a few slides on the topic of monitoring staff estimates of review time versus the actual billed time for the respective licensing action. The NRC staff and industry discussed the differences. The NRC plans to improve the hour estimates for licensing actions utilizing past data to inform future estimates of resources. The NRC stressed the importance of industry sharing future licensing plans for major applications and amendments to be factored into the future budget. Industry suggested that the NRC include the actual number of hours used for the review in the closeout letter. This is a topic to continue discussing in the Spring 2023 fuel facility stakeholders meeting.

Regional Budget and Utilization

The NRC staff provided insight on how the regional staff utilizes its budget in response to the industry's request during the February 2022 stakeholder meeting. The NRC staff provided a breakdown of the Division of Fuel Facility Inspection expenditures for oversight. A historical perspective of the Region II budget was covered along with future activities that are anticipated to affect regional staff expenditures.

Core Inspection Program Development

The NRC staff provided perspectives on the development of the Core Inspection Program for Category II Fuel Facilities. The NRC staff informed the participants that the current fuel cycle inspection program is currently being reviewed for category II applicability and revised as necessary. The NRC staff listed the IMCs and inspection procedures (IPs) that have been reviewed and that are in process of being reviewed for applicability. The NRC staff communicated that the program is anticipated to be completed by Spring 2023.

Construction Inspection Program Development

The NRC staff provided perspectives on the development of the Construction Inspection Program. The NRC staff informed the participants of the process to identify, review, and revise all fuel cycle IMCs and IPs and the status of some of the IMCs and IPs that have been reviewed that are applicable to Category II fuel facilities.

Harmonization of Transportation Safety Requirements with International Atomic Energy Agency (IAEA) Standards Proposed Rule

The NRC staff provided a status of the proposed rulemaking for Harmonization of Transportation Safety Requirements with IAEA Standards (amending Part 71). The NRC staff reiterated the purpose of the Part 71 rulemaking. The NRC staff identified areas where the changes are to harmonize with IAEA standards, maintain consistency with the U.S. Department of Transportation regulations, and NRC-initiated changes. The NRC staff informed the participants of the timetable for the near-term activities for the Part 71 proposed rule, including a public meeting scheduled for October 26, 2022.

Summary of Meeting's Discussions

Following the completion of the discussions of the agenda items, the NRC staff provided a summary of the discussions held during the day. The NRC staff continued the meeting with closing remarks by Ms. Shana Helton, Director, DFM, and Ms. Janet Schlueter, Senior Advisor, Fuel and Low-Level Waste, NEI.

Adjourn

Neither the NRC staff, the NEI, industry, nor members of the public raised further questions or comments, and the meeting was adjourned at 4:45 PM. The NRC staff plans to conduct its next fuel facility stakeholder interaction with the industry during the Spring of 2023.

Action Items

The following action items resulted from the discussions during the meeting:

1. The NRC will continue making meeting materials available to the NEI/Industry and the public at least 7 days in advance of the meeting.
2. The NRC will continue to maintain a current integrated schedule of regulatory activities chart on [public webpage](#) and consider adding CUI program implementation schedule and any Part 37 rulemaking as it relates to the Category III source rulemaking to integrated schedule of regulatory activities chart.

3. The NRC will consider the idea of linking division instructions on the [Fuel Cycle Facility Regulations Guidance, Communications, and Fuel Facility Stakeholders Meetings](#) webpage, and to consider including Smarter Licensing as a topic for Spring 2023 stakeholders meeting.
4. Industry has a continued interest in having a discussion of the NRC's fee billing on the agenda for the next stakeholders meeting and would like the NRC to be transparent on the accuracy of initial cost and schedule estimates for licensing actions.
5. Industry and the NRC to consider leveraging the capabilities of the BOX file sharing platform to enhance communications with licensees during license reviews.
6. Industry requested that the NRC consider including the Integrated Low-Level Waste Disposal Rulemaking (Part 61) and the Enhanced Weapons Rulemaking on the agenda for Spring 2023 fuel facility stakeholder meeting.
7. Attendees expressed interest in future public discussions on the fuel facility license renewal process, including discussion on potential revision to NUREG-1520, "Standard Review Plan for Fuel Cycle Facilities License Applications."
8. Participants expressed interest in a presentation on Web-Based Licensing during a future stakeholders meeting.
9. Industry expressed interest in future public discussions regarding NUREG-2212, "Standard Review Plan for Applications for 10 CFR Part 70 Licenses for Possession and Use of Special Nuclear Materials of Critical Mass but Not Subject to the Requirements in 10 CFR Part 70, Subpart H," prior to its issuance.

Enclosure:
List of Attendees

SUBJECT: SUMMARY OF OCTOBER 19, 2022, FUEL FACILITY STAKEHOLDER PUBLIC MEETING

DATE: February 3, 2023

DISTRIBUTION:

LDimmick, COMM/OCM	DToro, COMM/OCMJB	SDennis, COMM/OCMDW
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ADAMS Accession Number: ML (Pkg); ML (Summary); ML22291A003 (Notice); ML22290A248 (Presentation); ML22290A247 (NEI Presentation); ML22287A053 (Chart); ML22287A054 (Chart Supplement); ML22287A055 (Chart Summary)

OFFICE	NMSS/DFM/FFLB/PM	NMSS/DFM/FFLB/LA	NMSS/DFM/FFLB/BC	NMSS/DFM/FFLB/PM
NAME	JRowley	JGoodridge	SLugo	JRowley
DATE	12/28/2022	12/30/2022	1/04/2023	1/05/2023

OFFICIAL RECORD COPY

LIST OF ATTENDEES

October 19, 2022, FUEL FACILITY STAKEHOLDERS PUBLIC MEETING

Name	Affiliation
Dave Spangler	BWXT NOG-L
Marty Karr	CENTRUS
Kelly Fitch	CENTRUS
Jeff Coleman	Columbia Fuel
Tim Tate	Framatome Inc.
Scott Murray	Global Nuclear Fuels
Benjamin Weiss	Guest
Donna Hutchinson	Guest
Edward Love	Guest
Matthew Marzano	Guest
Eris Speights	Guest
Genevieve Weaver	Guest
Sean Patterson	Honeywell
Bob Sanders	Honeywell
Janet Schlueter	NEI
Robert Link	NEI Consultant
Tom Holly	Nuclear Fuel Services
Tim Knowles	Nuclear Fuel Services
Gerard Couture	TRISO-X
Jonathan Rowley	U.S. Nuclear Regulatory Commission
Richard Jervey	U.S. Nuclear Regulatory Commission
James Downs	U.S. Nuclear Regulatory Commission
Matt Bartlett	U.S. Nuclear Regulatory Commission
Mirabelle Shoemaker	U.S. Nuclear Regulatory Commission
Cynthia Taylor	U.S. Nuclear Regulatory Commission
Carrie Safford	U.S. Nuclear Regulatory Commission
Jill Shepherd	U.S. Nuclear Regulatory Commission
Jenny Weil	U.S. Nuclear Regulatory Commission
Erika Lee	U.S. Nuclear Regulatory Commission
Lindsey Cooke	U.S. Nuclear Regulatory Commission
Suzanne Ani	U.S. Nuclear Regulatory Commission
Andrew Carrera	U.S. Nuclear Regulatory Commission

Dylanne Duvigneaud	U.S. Nuclear Regulatory Commission
Anthony Valiaveedu	U.S. Nuclear Regulatory Commission
Robert Williams	U.S. Nuclear Regulatory Commission
Yawar Faraz	U.S. Nuclear Regulatory Commission
Eric C. Michel	U.S. Nuclear Regulatory Commission
Kellee Jamerson	U.S. Nuclear Regulatory Commission
Jo Jacobs	U.S. Nuclear Regulatory Commission
Suzanne Dennis	U.S. Nuclear Regulatory Commission
Michelle Romano	U.S. Nuclear Regulatory Commission
Anthony Masters	U.S. Nuclear Regulatory Commission
Gregg Goff	U.S. Nuclear Regulatory Commission
Irene Wu	U.S. Nuclear Regulatory Commission
Latif Hamdan	U.S. Nuclear Regulatory Commission
Jacob Zimmerman	U.S. Nuclear Regulatory Commission
Gregory Trussell	U.S. Nuclear Regulatory Commission
Shana Helton	U.S. Nuclear Regulatory Commission
Jason Piotter	U.S. Nuclear Regulatory Commission
Nicholas Hansing	U.S. Nuclear Regulatory Commission
Stacey Joseph	U.S. Nuclear Regulatory Commission
Yaira Diaz-Sanabria	U.S. Nuclear Regulatory Commission
Andrew Letourneau	U.S. Nuclear Regulatory Commission
Marilyn Diaz Maldonado	U.S. Nuclear Regulatory Commission
Stewart Schneider	U.S. Nuclear Regulatory Commission
Damaris Marcano	U.S. Nuclear Regulatory Commission
Michael Greenleaf	U.S. Nuclear Regulatory Commission
Thomas Vukovinsky	U.S. Nuclear Regulatory Commission
Osiris Siurano-Perez	U.S. Nuclear Regulatory Commission
Benjamin Karmiol	U.S. Nuclear Regulatory Commission
Aida Rivera-Varona	U.S. Nuclear Regulatory Commission
Bernie White	U.S. Nuclear Regulatory Commission
Kevin Coyne	U.S. Nuclear Regulatory Commission
Linda Howell	U.S. Nuclear Regulatory Commission
Tom Boyce	U.S. Nuclear Regulatory Commission
Jenny Tobin	U.S. Nuclear Regulatory Commission
Jeremiah Rey	U.S. Nuclear Regulatory Commission
James Rubenstone	U.S. Nuclear Regulatory Commission
James Firth	U.S. Nuclear Regulatory Commission

Glenn Tuttle	U.S. Nuclear Regulatory Commission
Ed Miller	U.S. Nuclear Regulatory Commission
Edward Madden	U.S. Nuclear Regulatory Commission
Chris Markley	U.S. Nuclear Regulatory Commission
Kelly Sullivan	U.S. Nuclear Regulatory Commission
Jim Xu	U.S. Nuclear Regulatory Commission
James Park	U.S. Nuclear Regulatory Commission
Chris Schwarz	URENCO USA
Patrick Donnelly	Westinghouse