

August 13, 2002

MEMORANDUM TO: William F. Kane
Deputy Executive Director
for Reactor Programs

FROM: Joseph Colaccino **/RA/**
Regional Operations and
Program Management Section, OEDO

SUBJECT: SUMMARY OF MAY 14, 2002, PUBLIC MEETING WITH THE NUCLEAR
ENERGY INSTITUTE ON MUTUAL ITEMS OF INTEREST

On May 14, 2002, senior managers of the Nuclear Energy Institute (NEI) met publicly with senior managers of the Nuclear Regulatory Commission (NRC) at NRC Headquarters in Rockville, MD. The purpose of the meeting was to provide an opportunity for the senior managers of both organizations to discuss items of current interest to the nuclear industry. A portion of this meeting was closed to the public to discuss physical security issues. Attachment 1 provides a summary of the meeting. No handouts were provided at the meeting. Attachment 2 is a list of meeting attendees.

Attachments: As stated

cc w/attachments:
W. Travers
C. Paperiello
P. Norry
J. Craig
J. Shea

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*See previous concurrence

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SUMMARY OF NRC/NEI SENIOR MANAGEMENT MEETING
May 14, 2002

The summary below is presented in the order of the original agenda topics, and provides a brief description of comments made by the meeting attendees. This was a Category II Public Meeting and members of the public were in attendance. Handouts were not provided at this meeting.

1. NRC Bulletin 2002-01, "Reactor Pressure Vessel Head Degradation and Reactor Coolant Pressure Boundary Integrity"

The NRC stated that all 69 pressurized water reactors had responded to the bulletin. From the initial review of the responses, it appears that most licensees repair boric acid leaks as they are found. In addition, most licensees inspect the reactor pressure vessel head (RPVH) under the insulation. None of the facilities have the same level of degradation as Davis-Besse.

In regard to Davis-Besse, the licensee has provided a reasonable hypothesis for the root cause of the reactor pressure vessel head degradation, but the proposed hypothesis is not confirmed as yet by data. With regard to inspection requirements for the RPVH, the NRC staff does not believe that it can accept visual inspections. A visual inspection assumes a through-wall leak. The NRC staff wants to understand where the erosion starts and the crack size factor. The NRC staff is concerned about the entire reactor coolant pressure boundary, especially the lower reactor vessel head. The NRC staff looks forward to see proposals from the industry on these issues.

NEI stated that the EPRI Materials Reliability Program (MRP) is performing a review of the root cause of the Davis-Besse RPVH degradation. In addition, the EPRI MRP is also working on an inspection plan. NEI also stated that the summary of the 15 day responses to the bulletin which was posted on the NRC Web Site was very helpful and the NRC was encouraged to maintain this practice. The NRC acknowledged NEI's feedback as helpful.

2. NRC Bulletin 2001-01, "Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles"

The discussion of this agenda item was blended with the discussion of Agenda Item 1.

3. Regulatory Issue Summary 2002-05, NRC Approval of Boiling Water Reactor Pressure Vessel Integrated Surveillance Program"

NEI led this discussion by stating that they felt that a Regulatory Issue Summary (RIS) was the appropriate vehicle to communicate this information. However, the RIS includes a request for public comment on the potential impact of the generic communication. NEI stated that this did not appear to be consistent with what they had seen previously.

The NRC stated that every RIS with a request for a public comment has a statement on burden reduction as required by the Paperwork Reduction Act of 1995, Public Law 104-13. There may be a change in the appearance of the RIS but the substance has not changed.

NRC Action: The NRC will work to standardize the paragraph describing the requirements of the Paperwork Reduction Act in future generic communications.

4. License Amendment Process Issues

NRC and NEI discussed the general principles applied to determine whether staff approvals must be handled through the licensee amendment or rulemaking process. It was agreed to examine this issue further in light of the Commission's Perry decision, CLI-96-13, 44 NRC 315 (1996). NEI believed that NRC applied too restrictive a reading of the decision and encouraged the NRC to seek stakeholder participation.

NRC Action: Determine whether additional clarification is needed regarding the use of amendments related to changes in licensees' operations.

5. Reactor Oversight Process and Significance Determination Process Improvement Initiatives

The NRC stated that the new Reactor Oversight Process (ROP) is in its third year of implementation. The development of a significance determination process (SDP) improvement program and the six improvement strategies were discussed. The improvement program is based on internal and external stakeholder input.

NEI discussed issues regarding the mitigating systems performance pilot, the benefits of early communication, and the designation of old design issues.

6. Fitness For Duty and Fatigue Rulemaking

NEI stated that the process for revising the fitness for duty rule was going well and, although the effort was more labor intensive than expected, the process was useful and would ensure clarity. The NRC acknowledged NEI's assessment.

With regard to the fatigue rulemaking, NEI expressed concern with specific rulemaking options because they did not believe more restrictive changes were warranted. NEI stated that their fundamental issue with this rulemaking is the potential reduction of the number of allowed working hours while requiring the industry to do more in this area. The NRC responded that the staff is working through its process to resolve this issue and that there would be a series of meetings in the future.

7. New Reactor Licensing Activities

The NRC provided an update to the new reactor licensing activities including merging certain activities with risk-informed initiatives (also a subject of a recent NEI white paper), early site permit process, and ITAAC (inspection, test, analysis and acceptance

criteria) implementation in Part 52 including “sign-as-you-go” and programmatic ITAAC. NEI emphasized that their recent white paper on a new regulatory framework was not a petition for rulemaking.

8. Spent Fuel Storage and Transportation

The NRC and NEI had a general discussion on three issues: 1) package performance study, 2) high burnup fuel, and 3) burnup credit.

(Note that Topics 9 & 10 from the original agenda were not discussed at this meeting.)

At the conclusion of this portion of the meeting, an opportunity was provide for members of the public to ask questions and provide comments. Members of the public in attendance did not have any questions or comments. The meeting then went into closed session to discuss physical security issues.

NRC/NEI Management Meeting Attendees

<u>Name</u>	<u>Organization</u>
Bill Brach	NRC/NMSS
Nancy Chapman	SERCH/Bechtel
Suzanne Black	NRC/NRR
Jon Johnson	NRC/NRR
Bob Bishop	NEI
Tony Pietrangelo	NEI
Jim Lyons	NRC/NRR
Farouk Eltawila	NRC/RES
Cynthia Carpenter	NRC/NRR
William Kane	NRC/OEDO
William Travers	NRC/OEDO
Alex Marion	NEI
Brian Sheron	NRC/NRR
Marty Virgilio	NRC/NMSS
Bill Borchardt	NRC/NRR
Roy Zimmerman	NRC/NSIR
Jack Strosnider	NRC/RES
David Matthews	NRC/NRR
Sam Collins	NRC/NRR
Marvin Fertel	NEI
Ralph Beddle	NEI
Steve Floyd	NEI
Pat Norry	NRC/OEDO
Doug Coe	NRC/NRR
Felix Killner	NEI
Jenny Weil	McGraw Hill
Joe Colaccino	NRC/OEDO
David Desaulniers	NRC/NRR
Jim Davis	NEI
Paul H. Genoa	NEI
Steven Kraft	NEI
Mike Schoppman	NEI
Deann Raleigh	LIS, Scientech
Tom Bergman	NRC/NRR
Eric Wieser	Business Publisher
Stephen Burns	NRC/OGC