

November 22, 2004

Mr. James W. Davis, Director
Operations
Nuclear Generation Division
Nuclear Energy Institute
1776 I Street, NW., Suite 400
Washington, DC 20006-3708

SUBJECT: NUCLEAR ENERGY INSTITUTE (NEI) WHITE PAPER, "ASSESSING THE NET RISK ASSOCIATED WITH NOTICES OF ENFORCEMENT DISCRETION (NOEDs)"

Dear Mr. Davis:

You submitted the subject White Paper for NRC staff consideration by letter to Eric J. Leeds dated June 10, 2004. I have replaced Mr. Leeds as Deputy Director of the Division of Licensing Project Management and as the Office of Nuclear Reactor Regulation Chairman of the Licensing Action Task Force.

I want to thank NEI for preparing this White Paper. It is a comprehensive exploration of the considerations attendant to demonstrating acceptable risk levels for NOEDs and helped to focus our position on the subject. As we discussed with members of NEI at a public meeting on November 15, 2004, the NRC staff considered your White Paper and incorporated its insights, as appropriate, in the overall revised NOED guidance to be published shortly in NRC Inspection Manual Chapter, Part 9900.

Sincerely,

/RA/

James E. Lyons, Deputy Director
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

cc: Michael Schoppman, NEI

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