



NUCLEAR ENERGY INSTITUTE

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Mr. James E. Lyons  
Director, Division of Site and Environmental Reviews  
U.S. Nuclear Regulatory Commission  
11555 Rockville Pike  
Rockville, MD 20852

**Subject:** Industry Input on Enhancing the Efficiency and Effectiveness of NRC's Environmental Review and Hearing Processes

**Project Number: 689**

Dear Mr. James E. Lyons:

The Nuclear Energy Institute (NEI)<sup>1</sup> appreciated the opportunity to participate in the December 6, 2007, NRC public workshop on improving the NRC environmental review and hearing processes. We fully support NRC efforts to improve these processes, a task that we consider to be critical for future post-2009 applications. This letter expands on the statements the industry made in the workshop.

The Early Site Permit subpart of 10 CFR Part 52, which includes NRC environmental review, development of an environmental impact statement (EIS), and associated hearing, has now been exercised and completed for three sites with another under review. The lessons learned from these activities provide a foundation and insights for improving the NRC environmental review, EIS development and hearing process. We agree that any improvements must result in a process that is within the framework of the National Environmental Policy Act and assure the same level of public participation.

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<sup>1</sup> NEI is responsible for establishing unified nuclear industry policy on matters affecting the nuclear energy industry, including regulatory, financial, technical and legislative issues. NEI members include all companies licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel fabrication facilities, materials licensees, and other organizations and individuals involved in the nuclear energy industry.

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The industry proposals can be grouped into four categories:

- Building on NRC improvements that have already been implemented, e.g., more public pre-application interactions between applicants and NRC staff and their contractors;
- Completion of a generic environmental impact statement for areas that:
  - (i) historically have been shown to have little or no environmental significance, and
  - (ii) are common to all or most applications;
- Improved guidance and training; and
- Improvements to the NRC hearing process.

Enclosure 1 provides the details of our proposals for the first three categories.

Enclosure 2 provides the industry proposals for improving the hearing process.

#### Attain Full Value of the Design-Centered Review Approach

We acknowledge that the majority of the improvements discussed in the workshop and amplified in this letter could not be implemented in a timeframe to support the first wave of combined license (COL) applicants. Yet, post-2009, when the full value of the design-centered review approach will begin to be realized with a high level of application standardization, the NRC safety review process will be simpler, and the review schedule should be much shorter. Under such conditions, the environmental review and preparation of the environmental impact statement will become critical path for a COL review.

To attain the full resource and schedule benefit from the design-centered review approach, efficiencies in the NRC's environmental review and development of the EIS are needed. We believe improvements can be achieved without diminishing the rigor or the scope of NRC environmental reviews. We recognize that it will take time to implement improvements. As a result, we urge the NRC to make a start on efforts to streamline the environmental aspects of future nuclear plant licensing.

#### Improvements to NRC's environmental review schedule

Following public comments and interactions, we understand that an update of NUREG 1555, *Standard Review Plans for Environmental Reviews for Nuclear Power Plants*, (ESRP) will be issued in April 2008.

For the second wave of COL applicants, post-2009, the NRC will have fully implemented its plans for extensive pre-application interactions. These should be aimed at understanding and aligning plans

and schedules on environmental matters. These interactions have the additional benefit of familiarizing the NRC staff and the public with unique features of the site and/or application.

We encourage the NRC to hold workshops on the lessons learned from these early reviews to identify ways to improve review schedules for future applicants. Coupling the lessons learned from three completed early site permits and four recent combined license applications with updated guidance on developing environmental reports will improve the quality and completeness of these future applications. This should reduce industry and NRC resources and schedule associated with application reviews and development of the NRC's environmental impact statements.

#### Improved Regulatory Guidance and Training

Improving the environmental review and EIS development process will require revisions to reviewer guidance, training, changes to contractual arrangements with NRC and industry contractors, and increased management oversight to ensure schedule improvements are achieved.

Training for both industry and NRC personnel (including contractors and members and staff of the Atomic Safety and Licensing Boards) on updated rules and guidance will be necessary. We believe that aspects of this training, especially in the area of NEPA, should be conducted jointly with industry to assure a common understanding of NEPA purpose, scope and implementation in the context of new-plant licensing.

NEI supports NRC plans to use a common format for the applicant's environmental report and the NRC's environmental impact statement. The use of a common format for the environmental report and environmental impact statement should conserve industry and NRC resources and improve development and review schedules. It will ease the burden associated with development, review, and cross-referencing between two differently formatted documents. This improvement should facilitate public comprehension of environmental issues addressed in these documents.

We also support update of ESRP Section 4, Environmental Impacts of Construction, and other ESRP sections to reflect recent changes in the NRC definition of "construction" activities, as discussed during the workshop.

#### Hearing Process Improvements

In addition to proposals aimed at streamlining the NRC staff's environmental reviews, the industry made a number of proposals at the December 6, 2007, NRC workshop aimed at improving the efficiency and effectiveness of the NRC hearing process. These proposals include:

- Finalize and implement policy statement on conduct of new reactor licensing proceedings;

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- Initiate rulemakings for generic new plant licensing issues to minimize duplicative litigation;
- Use hearing orders and tighten schedule milestones to facilitate efficient licensing hearings;
- Give parties the option to proceed to hearing based on the draft EIS;
- Commission conduct of mandatory uncontested hearings for ESP and COL applications; and pursuit of statutory amendment to eliminate such hearings.

The objective is more efficient and effective licensing proceedings.

#### Development of an NRC Action Plan

We understand the NRC staff is developing a summary of the input received from the public and will include a proposed action plan to implement improvements to the environmental review and hearing processes. The industry fully supports the development of such a plan to ensure the momentum created by the workshop is translated into specific actions. The action plan should include additional public meetings to discuss development and review of revised regulatory guidance, generic approaches, environmental training, and hearing process enhancements as recommended during the workshop and in this letter.

If you have any questions concerning the proposals contained in this letter, please contact me or Russ Bell at 202-739-8087 or rjb@nei.org.

Sincerely,



Adrian P. Heymer

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Enclosures