

EDO Principal Correspondence Control

FROM: DUE: 10/21/08

EDO CONTROL: G20080665
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FINAL REPLY:

Marvin S. Fertel
Nuclear Energy Institute (NEI)

TO:

Chairman Klein

FOR SIGNATURE OF :

** GRN **

CRC NO: 08-0513

Borchardt, EDO

DESC:

ROUTING:

Regulator Framework for Closing the Fuel Cycle
(EDATS: SECY-2008-0562)

Borchardt
Virgilio
Mallett
Ash
Ordaz
Cyr/Burns

DATE: 10/03/08

ASSIGNED TO:

CONTACT:

NMSS

Weber

SPECIAL INSTRUCTIONS OR REMARKS:

EDATS

Electronic Document and Action Tracking System

EDATS Number: SECY-2008-0562

Source: SECY

General Information

Assigned To: NMSS

OEDO Due Date: 10/21/2008 5:00 PM

Other Assignees:

SECY Due Date: NONE

Subject: Regulator Framework for Closing the Fuel Cycle

Description:

CC Routing: NONE

ADAMS Accession Numbers - Incoming: NONE

Response/Package: NONE

Other Information

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Agency Lesson Learned: NO

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OCM Concurrence: NO

OCA Concurrence: NO

Special Instructions:

Document Information

Originator Name: Marvin S. Fertel

Date of Incoming: 10/1/2008

Originating Organization: NEI

Document Received by SECY Date: 10/3/2008

Addressee: Chairman Klein

Date Response Requested by Originator: NONE

Incoming Task Received: Letter



NUCLEAR ENERGY INSTITUTE

Marvin S. Fertel
EXECUTIVE VICE PRESIDENT AND
CHIEF NUCLEAR OFFICER

October 1, 2008

The Honorable Dale E. Klein
Chairman
U.S. Nuclear Regulatory Commission
Mail Stop O 16 C1
Washington, DC 20555

Subject: Regulator Framework for Closing the Fuel Cycle

Project Number: 689

Dear Chairman Klein:

In your remarks prepared for the Nuclear Regulatory Commission Fuel Cycle Information Exchange (FCIX) of June 17, 2008, "Some Views on Closing the Fuel Cycle," you stated, "If industry is truly interested in these facilities over the long-term, it may wish to form technical working groups that could serve a variety of purposes. Simply by noting who participates, the NRC could better gage the level of interest of industry as a whole. This would also be an opportunity for industry to inform both NRC and Congress about whether there is any sense of urgency about moving toward developing these facilities. Once created, I think these working groups could begin the process of collecting documents and information that could at some point lead to a clearer picture of the specific needs for regulatory infrastructure development." At the meeting I responded, on behalf of NEI, that the industry had already initiated an effort to answer your call to action.

The NEI Task Force on Closing the Fuel Cycle had been envisioned prior to the FCIX and held its initial meeting shortly after the FCIX. Since its first meeting, development of an industry view of the necessary regulatory framework for this effort has progressed very rapidly and even faster than we initially anticipated.

The Task Force is chaired by Mr. Jack Bailey, Vice President, Nuclear Generation Development, at the Tennessee Valley Authority. Working with Mr. Bailey are representatives from Exelon, Constellation Energy, Entergy, Duke Energy, AREVA, EnergySolutions, GE, and General Atomics. In addition, the Task Force is being supported by CH2M Hill, B&W Technical Services, Talisman, and NEI staff. This extensive list demonstrates that the key cognizant organizations are participating in the process and that they represent a cross section of the industry.

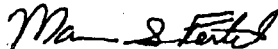
The Honorable Dale E. Klein
October 1, 2008
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As discussed above, the process is moving faster than initially anticipated. This is the result of the prior regulatory review the members of the Task Force had completed in support of DOE's Global Nuclear Energy Partnership (GNEP) efforts. As a result, it is currently anticipated that during the first quarter of 2009 the Task Force will submit, through NEI, a regulatory package for NRC's consideration. The purpose of this regulatory package is to help ensure an efficient process for promulgating an effective regulatory framework. In the "NRC Report to the U.S. Department of Energy on Activities Covered Under Interagency Agreement DE-AI01-07NE24496 on the Global Nuclear Energy Partnership", the NRC anticipated a rulemaking completion date for a closed fuel cycle of June 2014. The industry believes the package it will be submitting should facilitate completion of the public rulemaking in about 39 months, by about June 2012. The regulatory package under development by the Task Force will provide the industry's view on the regulations needed for the separations facility and the actinide fuel fabrication facility, as well as the related facilities necessary for waste handling. We are confident that this information will allow the NRC to proceed rapidly with development of a complete and effective regulatory and licensing framework. The industry is further encouraged that the June 2012 date is achievable as a result of reviewing the recently released SECY 08-0134. The approach proposed by the NRC is in good agreement with the industry's preferred approach.

This letter is intended to provide the NRC with a status report on the industry's activities, provide notice of the upcoming submittal, and to request that the NRC identify the resources necessary to consider this issue and have them prepared to initiate their review of the Task Force's regulatory package when submitted in the first quarter of 2009.

Thank you for the call to action and please let me know if you have any questions on the activities described in this letter.

Sincerely,



Marvin S. Fertel

c: The Honorable Gregory B. Jaczko, Commissioner, NRC
The Honorable Peter B. Lyons, Commissioner, NRC
The Honorable Kristine Svinicki, Commissioner, NRC