

September 25, 2013

MEMORANDUM TO: Marissa Bailey, Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

THRU: Robert Johnson, Chief */RA/ M. Baker for*
Fuel Manufacturing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

FROM: Marilyn Diaz, Project Manager */RA/*
Fuel Manufacturing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: PUBLIC MEETING SUMMARY CONFERENCE CALL HELD ON
SEPTEMBER 11, 2013, TO DISCUSS INDUSTRY'S CONCERNS
AND DRAFT PROBLEM STATEMENT RELATED TO PART
70.72 FACILITY CHANGES AND CHANGE PROCESS

The U.S. Nuclear Regulatory Commission (NRC) staff and representatives of the Nuclear Energy Institute (NEI) held a Category 2 public meeting on September 11, 2013, to discuss industry's concerns and need for clarification on the guidance associated with Title 10 of the *Code of Federal Regulations* (10 CFR) Part 70.72, "Facility Changes and Change Process." NRC commenced the meeting by stating the purpose and goals of the meeting. NRC staff discussed their review of NEI letters in the context of the recent violations, Unresolved Items, Regulatory Guide (RG) 3.74, and 10 CFR Part 70.72, and determined that there are no immediate safety issues. NRC indicated that staff is open to work with NEI to enhance guidance, if all stakeholders agree there is a need. NRC stated that the benefits of any potential clarification should be weighed against the resources needed to develop additional guidance, impact of proposed changes on the inherent flexibility provided in the existing regulations and guidance, and impact of implementing proposed changes on existing licensee change control processes.

CONTACT: Marilyn Diaz, NMSS/FCSS/FMB
(301) 287-9068

NEI continued the discussion and provided background on the issue and their proposed path forward. NEI agreed that there are no immediate safety issues. However, NEI noted that the industry finds that the violations and URIs associated with 70.72 are not consistent with their interpretation of the change process and operating experience since the rule and regulatory guide had been implemented. Representatives of the industry pointed out that the 70.72 change process is key in keeping NRC informed of the changes and upgrades done at the facility and additional clarifications may be needed to comply with NRC expectations of the 70.72 change process.

Industry discussed in detail the draft problem statement proposed in the August 7, 2013 NEI letter and stated that industry was evaluating potential modifications to RG 3.74 for NRC's consideration and review. NRC commented on the problem statement but noted that staff is still evaluating the best vehicle for potential updates or additional guidance to address generic issues related to Part 70.72, if a generic issue is identified. NRC indicated that if it was determined that a revision to RG 3.74 was needed, it will have to follow the formal NRC process to revise a regulatory guide. After further dialogue on the issue, NEI expressed interest in having further discussion of potential vehicles to address this regulatory matter.

NRC stated that staff would review industry's proposed guidance improvements and continue to have discussions as necessary to improve guidance related to Part 70.72. Meanwhile, NRC will be monitoring the 70.72 evaluations and process, and will be following up on the URIs opened at some of the fuel cycle facilities. NRC also noted that it would be internally looking at lessons learned in this area.

Subsequent to this meeting, NEI informed the staff that based on the September 11, 2013, discussions and further consideration of RG 3.74, the specific violations and URIs, industry no longer recommends clarifications to the guidance. As such, NEI recommended that the 70.72 topic be removed from the October 3, 2013, public meeting agenda. NEI stated that they would continue to monitor this area and engage NRC staff if further discussions are warranted.

Enclosed is a list of those who participated in the telephone conference.

Enclosure:
List of participants

Attachment:
September 11, 2013 Public Meeting Notice and Agenda

NEI continued the discussion and provided background on the issue and their proposed path forward. NEI agreed that there are no immediate safety issues. However, NEI noted that the industry finds that the violations and URIs associated with 70.72 are not consistent with their interpretation of the change process and operating experience since the rule and regulatory guide had been implemented. Representatives of the industry pointed out that the 70.72 change process is key in keeping NRC informed of the changes and upgrades done at the facility and additional clarifications may be needed to comply with NRC expectations of the 70.72 change process.

Industry discussed in detail the draft problem statement proposed in the August 7, 2013 NEI letter and stated that industry was evaluating potential modifications to RG 3.74 for NRC's consideration and review. NRC commented on the problem statement but noted that staff is still evaluating the best vehicle for potential updates or additional guidance to address generic issues related to Part 70.72, if a generic issue is identified. NRC indicated that if it was determined that a revision to RG 3.74 was needed, it will have to follow the formal NRC process to revise a regulatory guide. After further dialogue on the issue, NEI expressed interest in having further discussion of potential vehicles to address this regulatory matter.

NRC stated that staff would review Industry's proposed guidance improvements and continue to have discussions as necessary to improve guidance related to Part 70.72. Meanwhile NRC will be monitoring the 70.72 evaluations and process, and will be following up on the URIs opened at some of the fuel cycle facilities. NRC also noted that it would be internally looking at lessons learned in this area.

Subsequent to this meeting, NEI informed the staff that based on the September 11, 2013, discussions and further consideration of RG 3.74, the specific violations and URIs, industry no longer recommends clarifications to the guidance. As such, NEI recommended that the 70.72 topic be removed from the October 3, 2013, public meeting agenda. NEI stated that they would continue to monitor this area and engage NRC staff if further discussions are warranted.

Enclosed is a list of those who participated in the telephone conference.

Enclosure:
List of participants

Attachment:
September 11, 2013 Public Meeting Notice and Agenda

DISTRIBUTION:

FCSS rf MBailey, FCSS MSykes, RII AGody, RII
JHickey, RII ABlamey, RII JSchlueter, NEI

ML13259A156

OFFICE	FCSS/FMB	FCSS/FMB	FCSS/FMB	FCSS
NAME	MDiaz	TBrockington	/MBaker for/ RJohnson	JAndersen
DATE	9/16/2013	9/17/2013	9/24/2013	9/25 /2013

OFFICIAL RECORD COPY

**LIST OF CONFERENCE CALL PARTICIPANTS TO DISCUSS INDUSTRY'S
CONCERNS AND DRAFT PROBLEM STATEMENT RELATED TO PART 70.72
FACILITY CHANGES AND CHANGE PROCESS**

September 11, 2013

<u>NAME</u>	<u>AFFILIATION</u>
Marissa Bailey	NRC
James Andersen	NRC
Robert Johnson	NRC
Kevin Morrissey	NRC
Tim Sippel	NRC
Jeremy Munson	NRC
Merrit Baker	NRC
Chris Tripp	NRC
Marilyn Diaz	NRC
Marvin Sykes	NRC
Anthony Gody	NRC
Mark Lesser	NRC
Regina Russell	NRC
James Hickey	NRC
Alan Blamey	NRC
Janet Schlueter	NEI
Andrew Mauer	NEI
Jennifer Wheeler	NFS
Nancy Parr	Westinghouse
Scott Murray	GNF
Bob Link	AREVA-WA
Cal Manning	AREVA-WA
Doug Yates	MOX Services
Vernon Shanks	USEC
David Hamilton	GLE

Enclosure