

**POLICY ISSUE**  
**(Information)**

September 15, 2016

SECY-16-0105

FOR: The Commissioners

FROM: Victor M. McCree  
Executive Director for Operations

SUBJECT: STAFF ASSESSMENT OF ISSUES RAISED IN COMMISSION  
MEETING WITH STAKEHOLDERS

PURPOSE:

The purpose of this paper is to inform the Commission of the U.S. Nuclear Regulatory Commission (NRC) staff actions related to the issues raised in the Commission's July 26, 2016, meeting with NRC Stakeholders. This paper does not address any new commitments or resource implications.

BACKGROUND:

At the April 6, 2016 hearing of the U.S. Senate Committee on Environment and Public Works, Chairman Inhofe suggested the NRC hold another nuclear energy stakeholder meeting, similar to the 1998 meeting held by then Chairman Jackson. On July 26, 2016, the Commission held an all-day meeting where the NRC invited a number of external stakeholders to share their perspectives on the NRC's programs and performance. The meeting participants included state and tribal representatives, nongovernmental organizations, industry, organized labor, vendors, academia, and the medical community, as well as a former NRC Commissioner and a former NRC Chairman.

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On August 9, 2016, the Commission issued a staff requirements memorandum (SRM-M160726) that directed the NRC staff to identify each substantive issue or recommendation raised at the meeting or related correspondence through August 15, 2016. In addition to identifying each substantive issue or recommendation, the Commission directed the NRC staff to identify its relationship to past NRC decisions, to current or planned NRC efforts, or to describe a path forward for evaluation. On August 4, 2016, one stakeholder, the Nuclear Energy Institute (NEI), provided supplementary written comments for the stakeholder meeting (NRC Agencywide Documents Access and Management System (ADAMS) Accession Number ML16218A271).

#### DISCUSSION:

The NRC staff has reviewed the stakeholder meeting transcript and written comments. There were a number of stakeholder comments that reflect the NRC's ongoing stakeholder interactions and its work to continually improve processes. The enclosure to this paper, "Summary of Substantive Issues and Recommendations from the July 26, 2016, Commission Meeting with Stakeholders," has grouped and summarized the substantive issues and recommendations raised. The grouping resulted in 18 topic areas, listed below. The issues and improvement areas raised at the meeting, or related correspondence for each topic area, are listed below. The staff attempted to reflect all stakeholder comments in the summaries. The staff acknowledges that the summarization process may result in loss of fidelity of information, and the staff is committed to working with the stakeholders to ensure that all comments are fully considered.

To assist the review of the substantive issues and recommendations raised, the NRC staff considered how each topic area relates to NRC's Principles of Good Regulation - Independence, Clarity, Openness, Reliability, and Efficiency. One purpose of the Principles of Good Regulation is to help focus the agency on safety and security while appropriately balancing the interests of NRC's stakeholders. Some topic areas touch upon multiple principles, but are only listed once below.

The principle of independence includes the concept of obtaining all available facts and opinions as part of regulatory decision-making. The NRC staff identified three topic areas relating to this principle: (1) NRC's safety culture, (2) greater recognition of the economic and environmental benefits of nuclear energy, and (3) maintaining technical skills and capabilities. The grouping of these topics under the independence principle reflects that, to operate as an effective and efficient independent nuclear regulator, NRC must maintain a work environment having freedom to raise concerns to fully inform decisions, must perform its functions in a manner that does not compromise its effective independence on safety and security decisions, and must maintain independent technical capabilities sufficient to support its regulatory decisions.

The clarity principle speaks to the coherence and practicality of NRC regulations, an understandable nexus of agency activities and positions to those regulations, and a direct tie to the agency's mission. Issues and recommendations raised in the stakeholder meeting suggested a focus on regulatory clarity is warranted in six topic areas: (4) development of an advanced reactor regulatory framework, (5) regulatory framework for new light water reactors and small modular reactors, (6) uranium recovery activities, (7) patient release criteria, (8) timeliness for resolving nonconforming conditions, and (9) Agreement State regulatory compatibility timeline.

Throughout the meeting, participants offered positive feedback on the openness and access to the NRC staff in their ongoing interactions with the NRC. The quality of the NRC staff's efforts towards communications and work relationships was recognized in several program areas. The stakeholders comments were grouped into two topic areas: (10) NRC information sharing systems and activities, and (11) improvements to transparency in invoices and fees.

With respect to the principle of reliability, several stakeholders identified issues with perceived changes to longstanding regulatory positions or previously approved approaches. These changes may decrease regulatory stability and predictability. Issues were grouped into four topics: (12) backfitting, (13) efficient and predictable licensing processes, (14) leveraging risk information to focus effort, and (15) stability of NRC security programs.

Commenters at the July 26 meeting, and comments in the NEI letter, provided examples of the agency's efficiency principle where they saw room for improvement, such as the need to continually upgrade our regulatory capabilities, to ensure that regulatory activities are commensurate with the risk, and to improve the timeliness of NRC regulatory decisions. The topic areas identified included: (16) sustaining improvements on effectiveness, efficiency, and agility, (17) regulatory programs not sized commensurate with the risk of the regulated activity, and (18) NRC's ability to keep pace with a changing environment.

For 16 topics listed above and described in the enclosure, the NRC staff concluded that the issues and areas for improvement raised by stakeholders were consistent with ongoing efforts in that topic area, and the concerns raised will be considered in those activities. The staff does not intend to initiate activities to address topic (2), "greater recognition of the economic and environmental benefits of nuclear energy," because consideration of the benefits of nuclear energy is inconsistent with the NRC's statutory responsibilities. The Staff does not intend to initiate activities to address topic (9), "Agreement State regulatory compatibility timeline," because the Commission recently rendered its decision, to maintain the current requirement for compatibility within three years.

The stakeholder meeting provided valuable insights to focus efforts to ensure safety and security while appropriately balancing the interests of NRC's stakeholders. The feedback reflects and reinforces the insights gained from the NRC's sustained, conscious efforts in recent years to engage and inform the public and other stakeholders. NRC holds over 1,000 public meetings every year, and the NRC will continue to ensure meaningful opportunities for the public and other stakeholders to participate in NRC regulatory activities, consistent with the openness strategies in NRC's strategic plan.

#### RESOURCES:

Resources to conduct the work identified are addressed within existing resource requests.

The Commissioners

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COORDINATION:

The Office of the General Counsel has reviewed this Commission paper and has no legal objection. The Office of the Chief Financial Officer has reviewed this Commission paper and determined that there are no resource implications.

**/RA/**  
Victor M. McCree  
Executive Director  
for Operations

Enclosure:  
As stated

cc: SECY  
OGC  
OCA  
OPA  
CFO

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\*Concurrence provided via email

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