

**DAVID R. KLINE**  
*Director, Security*

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September 22, 2016

Ms. Maureen E. Wylie  
Chief Financial Officer  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

**Subject:** Fee Exemption Request for NEI 16-02, *Licensing Basis of Vital Equipment and Vital Areas*, Revision 0, Dated April 2016

**Project Number: 689**

Dear Ms. Wylie:

On April 28, 2016, the Nuclear Energy Institute (NEI)<sup>1</sup> submitted NEI 16-02, *Licensing Basis of Vital Equipment and Vital Areas*, Revision 0, dated April 2016 for NRC review and endorsement. NRC regulation, 10 CFR 73.55(e)(9)(i), requires that vital equipment be located only in vital areas, unless otherwise approved by the commission and identified in Security Plans. The definition of vital area as well as expectations for licensees has evolved over time at different points in the licensing process. As a consequence, many times a field condition which appears to be contrary to the current requirement of the rule is questioned. This causes both licensees and the NRC to spend a substantial amount of time and effort to disposition previously settled issues. These issues have been administratively addressed several times over the past few decades, but never memorialized in a formal process.

To this end, NEI has developed an industry guidance document, NEI 16-02, *Licensing Basis of Vital Equipment and Vital Areas*, Revision 0, dated April 2016. Extensive research and interaction with the staff indicated that both an interim and a final solution were needed to effectively address the issue. It was

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<sup>1</sup> The Nuclear Energy Institute (NEI) is the organization responsible for establishing unified industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all entities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel cycle facilities, nuclear materials licensees, and other organizations and entities involved in the nuclear energy industry.

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further determined that the best interim solution was an NRC-endorsed, NEI guidance document and the ultimate solution would be best accomplished through rulemaking.

NEI requests that the NRC's review of NEI 16-02 and any future submissions of this guidance document be granted a fee waiver pursuant to the provisions of 10 CFR 170.11. This document meets the exemption requirement in 10 CFR 170.11(a)(1)(ii) in that it will "...assist the NRC in generic regulatory improvements or efforts (e.g., rules, regulatory guides, regulations, policy statements, generic letters, or bulletins)." In this case, the revision of this guidance supports increased regulatory efficiency of agency efforts as it provides a consistent industry approach for the description of vital equipment and vital areas for implementation of 10 CFR 73.55(e)(9)(i). The NRC is the primary beneficiary of this guidance as the NRC has and will continue to use this document to support review of vital equipment and vital areas and the inspection efforts associated with 10 CFR 73.55(e)(9)(i).

Please contact me should you have any questions at (202) 739-8174; [dk@nei.org](mailto:dk@nei.org).

Sincerely,

A handwritten signature in black ink that reads "David R. Kline". The signature is written in a cursive style with a large, stylized "D" and "K".

David R. Kline

c: Ms. Melanie A. Galloway, NSIR/DSP, NRC  
NRC Document Control Desk