



UNITED STATES
NUCLEAR REGULATORY COMMISSION
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MEMORANDUM TO: Craig G. Erlanger, Director
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
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SUBJECT: SUMMARY OF MARCH 29, 2017, MEETING WITH THE INDUSTRY
AND STAKEHOLDERS TO DISCUSS FUEL CYCLE REGULATORY
ACTIVITIES AND CUMULATIVE EFFECTS OF REGULATION

The staff of the U.S. Nuclear Regulatory Commission (NRC) met with representatives of the Nuclear Energy Institute (NEI), fuel cycle industry, and members of the public on March 29, 2017, in Atlanta, Georgia. The purpose of this Category 2 public meeting was to discuss the status of several topics of mutual interest, including updates to the Cumulative Effects of Regulation Integrated Schedule; implementation of International Atomic Energy Agency (IAEA) Safeguards in the United States; Westinghouse Columbia lessons-learned report; cyber security rulemaking; and decommissioning financial assurance for Title 10 of the *Code of Federal Regulations* (10 CFR) Part 70 licensees. The meeting announcement is available in the Agencywide Documents Access and Management System (ADAMS) under Accession No. ML17080A204.

Cumulative Effects of Regulation

The NRC staff provided updates to the various rulemaking and regulatory activities involving the fuel cycle industry listed in the Integrated Schedule of Regulatory Activities for Fuel Cycle. Industry was informed that the staff will develop a Regulatory Issue Summary (RIS) on reporting of unplanned contamination events. By letter dated July 27, 2015 (ADAMS Accession No. ML15217A487), NEI submitted a request to the NRC to clarify “spreadable radioactivity” and “unplanned” as they pertain to the event reporting requirements in 10 CFR Paragraph 40.60(b)(1) and 70.50(b)(1). This request was submitted under NEI 14-14, “Regulatory Issue Resolution Protocol.” The purpose of the RIS is to provide clarifying information regarding the reporting requirements contained in 10 CFR 40.60(b)(1) and 70.50(b)(1) for unplanned contamination events. Once the schedule has been determined, this RIS will be added to the integrated schedule.

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The NRC staff discussed the status of the closure activities related to Generic Letter (GL) 2015-01, "Treatment of Natural Phenomena Hazards in Fuel Cycle Facilities" (ADAMS Accession No. ML14328A029). The staff presented the expected schedule for completion of the milestones for each licensee. At the time of the meeting, the NRC staff issued closure letters to Westinghouse Columbia, AREVA Richland, and Mixed Oxide Fuel Fabrication facilities, as well as for the Honeywell Metropolis Works facility. For the remaining licensees, the GL closure activities are scheduled to be completed by summer of 2017. The staff also discussed challenges that have been identified so far during the closure process of the GL.

The NRC staff committed to review the information on the integrated schedule and supplement, and to post these documents on the public website available at <http://www.nrc.gov/materials/fuelcycle-fac/regs-guides-comm.html#cumeffects>. The ADAMS Accession numbers for the presentations, attendees list, the fuel cycle integrated schedule and the supplement to that schedule are enclosed. No regulatory decisions or commitments were made during the meeting.

Implementation of IAEA Safeguards in the United States

The NRC staff provided a presentation on the implementation of IAEA Safeguards in the United States. Topics during the presentation included a history of international safeguards and an overview of the U.S. international safeguards agreements. The NRC oversees and facilitates the application of IAEA safeguards at NRC and Agreement State licensed facilities. The IAEA selects facilities to apply safeguards measures from the eligible facilities list which is provided by the U.S. This list is updated annually and contains approximately 300 facilities, including both Department of Energy locations and NRC licensees. Facilities remain on the list until they are decommissioned. Other topics covered during this presentation included the four U.S. facilities currently selected by the IAEA, examples of IAEA safeguards technologies, reporting requirements, complementary facility access, the U.S. – IAEA Caribbean Territories Safeguards Agreement and the Small Quantities Protocol.

Westinghouse Columbia Lessons-Learned Report

In response to the Westinghouse scrubber condition that was reported to the NRC in July 2016, the NRC staff initiated a lessons-learned effort as part of the agency's focus on continuous improvement. In the report issued January 30, 2017, (ADAMS Accession No. ML16330A642), the staff discussed areas recommended for further evaluation, which are divided into five categories: licensing, inspection, operating experience, roles and responsibilities, and knowledge management. The staff is in the process of developing an action plan to further evaluate and recommend actions to address these observations.

Cyber Security Rulemaking

The NRC staff provided an overview of the recent progress on the 10 CFR Part 73, Cyber Security Rulemaking. On February 23, 2017, the staff briefed the Advisory Committee on Reactor Safeguards (ACRS) Digital Instrumentation and Control Systems (DI&C) subcommittee. The staff provided a preliminary version of Draft Regulatory Guide 5062 (DG-5062), "Cyber Security Programs for Nuclear Fuel Cycle Facilities" (ADAMS Accession No. ML17031A018) to discuss during this briefing. The ACRS DI&C subcommittee provided several comments. The staff is working to address those comments in preparation for the ACRS full committee meeting on May 4, 2017. After the meeting, the ACRS meeting was rescheduled and will be held on June 8, 2017. In accordance with regulations governing ACRS full committee meetings, the NRC staff plans to publicly declare the latest version of the draft proposed rule package and DG-5062 marked as "predecisional to support the ACRS meeting and not to solicit external stakeholder feedback." The next opportunity for stakeholders to provide feedback on the

proposed rule package and related DG-5062 will be during the formal comment period, which the NRC staff anticipates to occur in the fall of 2017.

Decommissioning Financial Assurance: Part 70 Licensees

The NRC staff provided a presentation on the decommissioning financial assurance for Part 70 licensees. Topics during the presentation included a history of decommissioning financial assurance, the requirements as described in 10 CFR Section 70.25 and current guidance. The staff discussed the recent approvals of Decommissioning Cost Estimates (DCE) which provided assumptions with reasonable justifications for why inventory is not included in the DCEs. The staff will continue to utilize the enhanced communication between NRC and licensee to inquire about points of clarification on submittals and have discussions on requests for additional information. In fiscal year 2018, the staff plans to develop an Interim Staff Guidance covering inventory and efficiencies in preparing decommissioning funding plans.

Enclosures:

1. Cumulative Effects of Regulation Presentation (ML17081A068)
2. Implementation of IAEA Safeguards in the United States Presentation (ML17081A071)
3. Westinghouse Columbia Lessons-Learned Report Presentation (ML17081A182)
4. Cyber Security Rulemaking Presentation (ML17081A070)
5. Decommissioning Financial Assurance: Part 70 Licensees Presentation (ML17081A069)
6. Natural Phenomena Hazards Generic Letter Presentation (ML17081A072)
7. Fuel Cycle Integrated Schedule of Regulatory Activities Supporting (ML17081A074)
8. Supplement to Fuel Cycle Program Integrated Schedule (ML17081A075)
9. List of Attendees (ML17097A507)

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