



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

July 5, 2017

Mr. George C. Carver
Vice President, Engineering and Licensing
NAC International Inc.
3930 East Jones Bridge Road, Suite 200
Norcross, GA 30092

SUBJECT: ACCEPTANCE REVIEW AND CASK LICENSING DECISIONS BASED UPON APPLICANT'S USE OF "CONSERVATIVE REVERSE ENGINEERING" AND PUBLICLY AVAILABLE INFORMATION REGARDING THIRD-PARTY PROPRIETARY LICENSED CASK DESIGNS

Dear Mr. Carver:

I am responding to your letter dated May 19, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17143A276). Your letter expressed a concern about Holtec International Inc.'s (Holtec) recent claim that it will be able to use "conservative reverse engineering" to support an expansion of the Model No. HI-STORM UMAX storage system to store NAC International Inc., (NAC) and other non-Holtec canisters. You further indicated that Holtec's reverse engineering approach appears to inappropriately rely on NAC's proprietary design information and related U.S. Nuclear Regulatory Commission (NRC) certifications. You also state that Holtec does not have access to NAC's proprietary cask and canister technology.

You requested that the NRC clarify its position with respect to two items. The first item was Holtec's reliance on the publically available portion of the safety analysis report for the Model No. Standardized Advanced NUHOMS®-24PT1. Specifically, you asked the NRC to clarify whether the "NRC has approved or agrees with Holtec's request to use only the publicly available portions of the safety analysis report for the 24PT1-DSC and the docketed responses by Holtec to address the NRC's concerns on the adequacy of technical information, and, support Holtec's proposed use of HI-STORM UMAX for site-specific CISF licensing."

Holtec has submitted a request for Amendment No. 3 for the Model No. HI-STORM UMAX storage system. In the submittal letter, Holtec indicated the amendment supports a future site-specific license request for a consolidated interim storage facility or CISF. The NRC has not yet accepted Holtec's application for review and therefore, has not started its detailed technical review of the information provided by Holtec. At this time, the NRC cannot state whether it agrees that the body of information provided by Holtec in the application for Amendment No. 3 to the Model No. HI-STORM UMAX storage system meets the requirements in Subpart L of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 72. If the NRC accepts Holtec's application for review, the NRC will make its determination of whether Holtec's proposed amendment to the HI-STORM UMAX storage system meets the regulations in 10 CFR Part 72 solely on information provided by Holtec. The NRC will not base its regulatory decision on any

proprietary information submitted by, or any subsequent NRC approvals on, a third party vendor.

The second item pertained to the development of guidance in this area. Specifically, you requested the NRC to clarify whether it “is developing guidance with respect to the NRC regulatory (including acceptance) reviews 10 CFR Parts 71 and 72 licensing approval requests involving an applicant's use of ‘conservative reverse engineering’ and/or use of only publicly available information without possessing or having access to a third-party vendor's proprietary design documentation and engineering calculations.”

The NRC will use existing guidance to perform its regulatory reviews and is not working on guidance specific to either reverse engineering or an applicant's use of only publicly available information without possessing a third-party vendor's proprietary information. The staff reviewing applications that include these features will perform the review using the same standards that have been used for previous applications.

If you have any further questions regarding these issues, please contact John McKirgan, Chief of the Spent Fuel Licensing Branch at 301-415-5722.

Sincerely,

/RA/

Michael Layton, Director
Division of Spent Fuel Management
Office of Nuclear Material Safety
and Safeguards

Docket Nos. 72-1029 and 72-1040

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