



UNITED STATES
NUCLEAR REGULATORY COMMISSION
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October 26, 2018

MEMORANDUM TO: Brian W. Smith, Acting Director
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

FROM: DyLanne D. Duvigneaud, Fuel Cycle Operations Engineer
Fuel Facility Licensing and Oversight Branch **\RA**
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

SUBJECT: SUMMARY OF SEPTEMBER 25, 2018, 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 September 25, 2018, in Rockville, MD. The purpose of this Category 2 public meeting was to discuss the status of several initiatives involving the fuel cycle industry. The NRC staff presented updates on the Cumulative Effects of Regulation Integrated Schedule, Region II, Division of Fuel Facility Inspection (DFFI) activities, Title 10 *Code of Federal Regulations* (10 CFR) Part 73, enhanced weapons rulemaking, and draft Interim Staff Guidance on financial assurance. The meeting announcement and agenda is available in the Agencywide Documents Access and Management System (ADAMS) under Accession Number ML18267A287. The ADAMS Accession numbers for the presentations (if provided), attendees list, and the fuel cycle integrated schedule and its supplement are enclosed. No regulatory decisions or commitments were made during the meeting.

Cumulative Effects of Regulation

The NRC staff provided updates to the rulemaking and regulatory activities listed on the Integrated Schedule of Regulatory Activities for Fuel Cycle and Supplement. Industry and NEI were informed that existing guidance regarding reporting requirements for unplanned contamination events is adequate. Therefore, the staff decided to issue a letter stating the staff's position instead of an Information Notice. This letter was issued after the meeting on October 5, 2018 (ADAMS Accession No. ML18236A3210).

CONTACT: DyLanne D. Duvigneaud, NMSS/FLOB
(301)415-4010

The staff also stated that the Regulatory Guide 3.71, Revision 3, would be completed shortly after the meeting was held. RG 3.71, Revision 3, can be found in ADAMS Accession No. ML18169A258. Both of these items will be removed from the integrated schedule in the next update. The staff posted the integrated schedule and supplement on the public website available at <http://www.nrc.gov/materials/fuelcycle-fac/regs-guides-comm.html#cumeffects>.

Region II/DFFI Update

The NRC staff informed NEI and Industry of recent revisions of inspection procedures. Inspection procedures were revised to ensure that the effects of multiple plant modifications are considered in inspection planning. Also, the staff revised inspection procedures to ensure that all systems that present a high or intermediate consequence hazard, albeit the probability of occurrence is low, are inspected at least once every five calendar years. Lastly, the staff completed a review of the inspection procedures and determined that some operational safety and fire protection inspections can be transferred to the senior resident inspectors at Category I facilities. This transfer gains regional efficiency and saves expenses.

Enhanced Weapons Rulemaking

The NRC staff provided an overview of the draft final rule, "Enhanced Weapons, Firearms Background Checks, and Security Event Notifications." NEI and Industry was informed of the applicability of the newly proposed suspicious activity reporting (SAR) requirements and the revised physical security event notification requirements applicable to the Category II and Category III special nuclear material (SNM) fuel cycle facilities. The staff stated that Category II and III SNM fuel facility licensees are not subject to the suspicious activity reporting (SAR) requirements. Additionally, Category II and III SNM enrichment licensees are subject to one SAR provision focused on Restricted Data information, technology, or materials. The draft final rule was provided to the Commission on May 25, 2018. The draft final rule package is publicly available in ADAMS Accession No. ML16264A000. The staff is currently awaiting Commission direction.

Interim Staff Guidance on Financial Assurance

The NRC staff recently developed a new draft ISG on financial assurance for materials licensees. The NRC staff provided a presentation describing the information that is included in the ISG. The draft ISG addresses decommissioning funding plans (DFPs) covering current facility conditions including onsite inventory. It provides guidance on submitting originals, review of side letters, and developing a "sight" draft. It also provides guidance on how to add efficiency to preparing decommissioning funding plans by directly addressing the 8 factors from the decommissioning rule. The draft ISG was issued for public comment on August 1, 2018, in the Federal Register Notice (83 FR 37529). Comments on the draft ISG were due by October 5, 2018. The staff anticipates issuing the final ISG in January 2019.

Enclosures:

1. Fuel Cycle Integrated Schedule of Regulatory Activities Supporting CER (ML18267A184)
2. Supplement to Fuel Cycle Program Integrated Schedule (ML18267A194)
3. Cumulative Effects of Regulation Presentation (ML18267A220)
4. Enhanced Weapons Rulemaking Presentation (ML18267A196)
5. Interim Staff Guidance on Financial Assurance Presentation (ML18267A195)
6. List of Attendees (ML18289A943)

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