

*The information contained herein provides notes for the 8/8/19 public meeting with Nuclear Energy Institute (NEI). It does not represent any U.S Nuclear Regulatory Commission (NRC) staff or agency position.*

### Fuel Cycle Inspection Program

On June 27, 2019, a Category 2 public meeting was held between NRC staff and representatives of NEI to provide NEI an opportunity to present specific ideas to enhance the fuel cycle oversight program. The presentation materials for this meeting, provided by NEI, are available in ADAMS at Accession No. ML19176A534. The meeting summary for this meeting is available in ADAMS at Accession No. ML19184A060. On August 8, 2019, a Category 3 public meeting was held between NRC staff, representatives of NEI, and the public to continue to dialogue and idea sharing from previous meetings, including the meeting held on June 27, 2019. During the August 8, 2019, public meeting, representatives from NEI further discussed the suggested changes to Inspection Manual Chapter 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program," Appendix B, "NRC Core Inspection Requirements," that were previously presented to NRC staff on July 27, 2019. Additionally, representatives from NEI presented suggestions to enhance the NRC's fuel cycle licensing program. NEI provided further clarifications on the bases for each suggested change. The presentation materials for this meeting, provided by NEI, are available in ADAMS at Accession No. ML19214A262.

NEI's presentation resulted in significant engagement between NRC staff and members of NEI regarding the concept of taking credit for NRC vendor inspections as part of the fuel facility inspection program. Members of NEI suggested that credit for such inspections may be appropriate and serve as a reasonable basis for reducing inspection resources in other inspection areas. However, NRC staff asserted that the focus and scope of vendor inspections are significantly limited and would likely not provide reasonable assurance of the public health and safety without modification and/or expansion of scope.

NEI's presentation also resulted in significant engagement between NRC staff and members of NEI regarding the concept of "good performance." Members of NEI suggested that based on data from 2014–2018, a low number of violations in their respective environmental programs; zero escalated violations in the areas of fire protection, material control and accounting, waste management, transportation, maintenance and surveillance, and permanent plant modifications; comprehensive corrective action programs, a low number of reportable safety events, licensee performance reviews indicating improved performance, and the routine use of benchmarking and operational experience sharing should serve as a reasonable basis for reducing inspection resources in certain inspection areas. However, NRC staff asserted that the NRC inspection program verifies compliance. In other words, the inspection program simply evaluates whether a licensee is in compliance and does not involve the concept of "good" or "bad" performance. Additionally, NRC staff asserted that the date range selected for NEI's evaluation (2014–2018) does not provide enough data points to draw a statistically meaningful conclusion.

NRC staff discussed the concepts under consideration to enhance the fuel cycle inspection program and engaged with members of NEI and the public to solicit feedback. Several concepts currently under NRC consideration were presented, including the reorganization of functional areas as well as the concept of a flexible program. NRC staff emphasized that the primary factor in any potential changes to the fuel cycle inspection program is to ensure that the program remains risk informed and performance based. NRC staff also emphasized that, consistent with the concepts of risk informed and transformative change, a range of potential

efficiencies has been identified and is under consideration. NEI asserted that the NRC should discuss the numbers of hours per performance area in order to have an idea of how the options being proposed are reflected in terms of inspection hours. In addition, NEI asserted that they would like to have an understanding of any changes the inspection procedures, either updates or deletion, as a result of the recommendations.

Members of the public provided comments on the discussion. One member of the public stated that credit for past performance is arguably unwarranted as it does not appropriately consider the effects of human complacency and its impact on safety. Another member of the public stated that the public supports independent inspection and oversight, and that the concept of reducing inspection resources presents a public concern as it introduces increased dependent self-oversight of the licensees' safety programs.

#### Fuel Cycle Licensing Program

NRC staff presented information regarding potential enhancements to the fuel cycle licensing program. NRC staff summarized the working group's progress, discussed the draft proposed resolution path for comments previously received from stakeholders, and solicited additional feedback. Members of NEI and industry sought clarification on some items and provided feedback to NRC staff. There seemed to be relatively good alignment on most of these discussions between NRC staff and stakeholders.

#### Other

Members of NEI suggested that NRC staff reassess the timeline for completing the effort to enhance the fuel cycle inspection and licensing programs for opportunities for further engagement.