



UNITED STATES
NUCLEAR REGULATORY COMMISSION
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MEMORANDUM TO: Andrea L. Kock, Director
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Office of Nuclear Material Safety
and Safeguards

THRU: Damaris Marcano, Acting Chief
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SUBJECT: SUMMARY OF JULY 22, 2020, MEETING WITH INDUSTRY AND
STAKEHOLDERS TO DISCUSS FUEL CYCLE REGULATORY
ACTIVITIES AND CUMULATIVE EFFECTS OF REGULATION

The staff of the U.S. Nuclear Regulatory Commission (NRC) conducted a virtual WebEx meeting with representatives of the Nuclear Energy Institute (NEI), fuel cycle industry, and members of the public on July 22, 2020. The purpose of this Category 2 public meeting was to discuss the status of several initiatives involving the fuel cycle industry. Topics discussed during the meeting included the resolution of action items from the April 22, 2020, meeting with NEI and members of the nuclear fuel cycle industry; providing an update of the cumulative effects of regulation (CER) integrated schedule and its supplement; providing an update on the NRC support for the development of the American Nuclear Society (ANS) Standard 57.11, "Integrated Safety Assessment for Nonreactor Nuclear Facilities;" discuss the status of the NRC staff efforts for development of the material control and accounting guidance for Category II facility applicants; Smarter Licensing Program Implementation Plans; Smarter Inspection Program Enhancement Efforts; and the NRC Actions During COVID-19 Public Health Emergency.

The public meeting notice with the agenda topics, the NRC staff PowerPoint presentations, the list of attendees, the fuel cycle integrated schedule, and its supplement are available in the Agencywide Documents Access and Management System (ADAMS) Accession No. ML20238B855. No regulatory decisions or commitments were made during the meeting.

Following the opening remarks by NRC staff from the Division of Fuel Management (DFM) and the NEI representative, NRC staff from DFM kicked off the meeting by discussing the NRC staff resolution of the six action items resulting from the April 22, 2020, CER meeting. The action items and their respective resolution were as follows:

- Action item 1 - Revisit the graphic charts (i.e., Integrated Schedule) to clarify placement of change marks and events in the timeline.
 - The NRC staff revised the Integrated Schedule chart to reflect the most accurate and up-to-date information, and current status of activities.
 - Updated chart posted on Cumulative Effects of Regulation Public Web site

This item is closed.

- Action item 2 - NEI will provide written comments on the enhanced weapons rulemaking.
 - NEI submitted their comments by letter dated May 8, 2020 (ADAMS Accession No. ML20132A234).
 - The NRC staff provided its response by letter dated July 10, 2020 (ADAMS Accession No. ML20154K720).

This item is closed.

- Action item 3 - Determine and report if the NRC staff will continue to support development of the ANS 57.11 Standard.
 - The NRC staff conducted internal meetings to discuss its involvement on this effort.
 - There are no immediate plans to recommend changes to the level of involvement.

This item is closed.

- Action item 4 - Ensure that the NRC submits proposed guidance to industry at the appropriate time to allow their input during development and include timeline for planning.
 - The NRC staff will continue to provide opportunities for public comment on new and revised guidance documents as appropriate.

This item is closed.

- Action item 5 - Review industry and NRC priorities assigned to actions arising from the smarter program reviews.
 - NEI communicated the industry priorities by letter dated May 6, 2010 (ADAMS Accession No. ML20135G764).
 - The NRC issued its response to the NEI letter on June 19, 2020 (ADAMS Accession No. ML20148M228).

This item is closed.

- Action item 6 - Determine what licensing information can be shared by the NRC with potential applicants for Category II facilities.
 - The NRC staff determined that currently, only very limited information relevant to ongoing Category II facility application reviews is publicly available.
 - The NRC staff is available to discuss requirements for licensing Category II facilities.
 - Applicants are encouraged to contact the NRC staff to conduct pre-application meetings as necessary.

This item is closed.

The NRC staff provided updates to the rulemaking and regulatory activities listed on the integrated schedule of regulatory activities for fuel cycle and the supplement to the schedule. The industry and NEI representatives were informed that the list of regulatory activities on the integrated schedule remained unchanged since the April 2020 update. Information on the following four activities shown on the integrated schedule were updated in July 2020:

- Part 73 - Enhanced Security for Special Nuclear Material
- Part 73 - Cyber Security Rulemaking
- Smarter Licensing Program
- Smarter Inspection Program

Information on the following four activities shown on the integrated schedule supplement were updated in July 2020 as well:

- Enhanced Weapons Rulemaking
- American Nuclear Society Standard 57.11
- Smarter Licensing Program
- Smarter Inspection Program

The NRC staff posted the updated integrated schedule and updated supplement on the NRC public web site at <https://www.nrc.gov/materials/fuel-cycle-fac/regs-guides-comm.html#cumeffects>.

The NRC staff briefly discussed the latest developments regarding the agency support of the development of the American Nuclear Society Standard, ANS 57.11, "Integrated Safety Assessment of Nonreactor Nuclear Facilities." On this subject, the NRC staff informed NEI and members of the industry that, during the June 2020 ANS meeting, the Non-Reactor Nuclear Facilities Committee (NNFC) announced it was looking for a new working group (WG) chair and that the NRC will continue supporting the development of ANS 57.11 and that there will be no changes in the agency's level of involvement on this effort (i.e., one member on the WG and one member on the NNFC).

With regard to the development of NUREG-2159, "Acceptable Standard Format and Content for the Material Control and Accounting Plan Required for Special Nuclear Material of Moderate Strategic Significance," the NRC staff informed meeting attendees that they plan to issue the draft version of the document for public comments during the fall of 2020, and that applicants are encouraged to request pre-application discussions with the NRC staff on material control and accounting (MC&A), and other safeguards topics. A question regarding the length of the comment period on the draft document was asked. The NRC staff stated that the comment

period would be between 30 and 45 days. However, a member of NEI requested that the NRC consider a 60-day period, instead, since a 45-day period may not be enough. The NRC staff stated that it will consider the suggestion, and, in response to a question regarding publication of the final document, stated that this is expected to happen sometime between the end of 2020 and early 2021.

Following the discussion on the development of NUREG-2159, the public was afforded an opportunity to ask questions or provide comments on the topics discussed up to this point during the meeting. No comments or questions were submitted or asked.

The meeting continued with the NRC staff presentation and discussion of the status of its efforts and activities conducted to implement the WG's recommendations regarding the Smarter Licensing Program. The NRC staff stated that it had established Action Teams for near-term (NT), mid-term (MT), and long-term (LT) actions, and issued a public version of the Smarter Licensing Action Plan on July 10, 2020 (ADAMS Accession No. ML20184A267). Based on the Action Plan, the actions are expected to be completed by December 2020 (NT), March 2021 (MT), and January 2022 (LT). In addition, the NRC staff stated that it has also developed Cost-Benefit Evaluations (CBEs) for the Action Teams to monitor the implementation of the WG recommendations and their potential benefits based on improved effectiveness and efficiency. The evaluations balance the benefits from each action against the Principles of Good Regulation, which include the impact on the public and the industry. A question was asked regarding the public and industry involvement in implementing the actions. The NRC staff stated that it will involve the industry through the routine CER interactions and the public through its established regulatory process. However, the NRC staff noted that implementation of some of the actions will be internal to the NRC and won't involve the public or industry. Other pieces, especially for mid and long term, may require different levels of public/industry involvement. A question on how the implementation of the actions relate to efficiency and effectiveness and the CBE, in general, was asked. The NRC staff responded that the impact directly relates to the CBEs and provides the NRC with an internal method to measure the action's value.

Following the presentation and discussion on the Smarter Licensing Program, the NRC staff discussed the status of its efforts to implement the WG's recommendations regarding the Smarter Inspection Program. The NRC staff noted that it has issued a plan for implementing the recommendations (Implementation Plan, ADAMS Accession No. ML20189A064), which aims for completing the revisions and issuance of inspection guidance by December 2020. The NRC staff is currently in the process of implementing the recommendations, except for recommendation 6, which will be implemented after the staff completes a separate assessment to enhance the Fuel Cycle Operating Experience (FC-OpE) Program and the Fuel Cycle Inspection Assessment (FC-IA) Program. A couple of questions regarding these programs were asked by NEI. The NEI and industry representatives expressed an interest on having a presentation on these programs. The NRC staff stated that the FC-OpE program is internal and not public, but that they will consider this request. With regard to the FC-IA, the NRC staff noted that it is discussed in Inspection Manual Chapter (IMC) 2650, "Fuel Cycle Inspection Assessment Program." A member from NEI requested that the public and the industry be provided with the opportunity to see and review Inspection Procedures (IPs) and IMCs before they go public. The NRC staff noted that the IPs and IMCs revision processes are internal to the NRC and that these documents are not seen until they become public. However, the NRC staff stated that they could present the essence of the revisions to the documents, especially in those high priority areas that NEI identified, at future CER meetings. The NRC staff noted two main areas that NEI identified in its May 6, 2020, letter to the NRC (ADAMS Accession No.

ML20135G764). These two main areas are chemical safety and safety margin. The NRC staff expressed interest in further discussing these areas with the industry and stated its intention to publicly discuss these and other inspection program elements at the next CER meeting scheduled for the fall of 2020. The NEI stated that it will be sending a letter to the NRC re-emphasizing previous issues with chemical safety and safety margin and requested that these be extensively discussed during the CER meeting in the fall.

The NRC staff discussed the agency actions in response to the COVID-19 public health emergency. On this regard, the NRC staff noted that the NRC has ensured, and will continue to ensure, that licensed facilities operate safely during the pandemic. It also noted that, in response to licensee requests, it has granted temporary regulatory reliefs when appropriate. A member from the industry stated that it could be possible that more regulatory relief requests may be submitted later in 2020. The NRC staff briefly discussed its conduct of remote inspections during the pandemic and requested feedback on this matter from the industry. Members of the industry provided the following on remote inspections:

- The process for coordinating the inspections has not presented any problems.
- Remote inspections work but are not ideal.
- For some licensees, remote inspections are not as efficient, neither for the licensee nor for the inspectors, as inspections conducted onsite. Therefore, these should be discontinued after the pandemic, but if still necessary, the NRC should consider a combined approach (i.e., part of the inspection conducted remotely and part on site).
- Follow-up communications to complete the inspection can become a scheduling issue.
- The follow-up portion of remote inspections tied the resources more than once, which is not desirable.
- Remote inspections are quite a load for the licensee.
- Organizing all the required documentation takes more time. If on site, documents to close an issue can be immediately provided. Remotely, documents need to be reviewed and appropriately classified before being put on the online portal.
- Timely resolution of issues identified is a challenge, especially those related to sensitive information.
- Communications with the licensee during the inspection need to be improved since there was uncertainty in times of silence.
- Remote inspections may result in cost savings, especially on travel expenses.
- For some licensees, remote inspections have not been different from inspections conducted on site.
- One member of the industry noted that remote inspections appear to be more costly.

Following the discussion on the NRC's response to the COVID-19 pandemic, the public was afforded another opportunity to ask questions or provide comments on the topics discussed up to this point during the meeting. No questions were asked. However, a member of the public thanked the NRC for the opportunity to attend and participate in the meeting.

Action Items

The following action items resulted from the discussions during the meeting:

1. With regard to the development of NUREG-2159, "Acceptable Standard Format and Content for the Material Control and Accounting Plan Required for Special Nuclear

Material of Moderate Strategic Significance,” NEI requested that the NRC consider a 60-day comment period, instead of a 45-day period since this may not be enough.

2. With regard to the Smarter Inspection Program, NEI stated that it will be sending a letter to the NRC re-emphasizing previous issues with chemical safety and safety margin, and requested that these be extensively discussed during the CER meeting in the fall.
3. The NRC should consider a combined approach for conducting remote inspections (i.e., part conducted remotely and part on site).

Issues with Technology During the Meeting

Technical issues still existed for facilitating communications with WebEx during the meeting. There were no issues for the meeting “panelists” to communicate and make their presentations. However, for the meeting “attendees” it was a challenge to grant authorization for asking questions or offering comments. Given these issues, and to solve them, during the meeting the staff set up a bridge line and pass code to continue with the discussions by phone and continued using WebEx to share the presentation slides. This decision resulted in better communication amongst the meeting participants and allowed the remaining portion of the meeting to be successfully conducted. Given this success, the staff plans to use this combined approach for conducting the next CER meeting.

Adjourn

The meeting was adjourned at 4:30 p.m. The NRC staff plans to conduct its next CER interaction with the industry during the fall of 2020.

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ADAMS Accession No.: ML20238B867 *via email

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