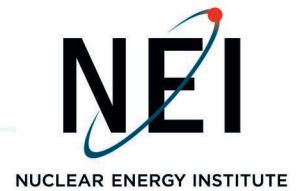


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July 24, 2023

Howard K. Osborne  
Chief Financial Officer  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

**Subject:** Fee Exemption Request for Pre-Submittal Activities, Review, and Endorsement of NEI 20-07, "Guidance for Addressing Common Cause Failure in High Safety-Significant Safety-Related Digital I&C Systems"

**Project Number: 689**

Dear Mr. Osborne:

On May 25, 2023, the Commission issued SRM-SECY-22-0076, "Staff Requirements – SECY-22-0076 – Expansion of Current Policy on Potential Common-Cause Failures in Digital Instrumentation and Control Systems," which expands the digital instrumentation and control (DI&C) policy on common cause failure to include a risk-informed pathway and directs the staff to complete implementing guidance within one year of the SRM.

To help utilities implement this new policy, NEI is developing a document, NEI 20-07, which will provide guidance on using a performance-based methodology, based on processes used in other safety-focused industries, to support the design and implementation of highly safety-significant and safety-related DI&C system upgrades. The NRC staff have requested that NEI submit NEI 20-07 for review and approval as the staff develops the implementation guidance directed by the Commission.

SRM-SECY-22-0076 and NEI 20-07 contribute to the ongoing work by the NRC staff to modernize the DI&C regulatory infrastructure as directed by the Commission in SRM-SECY-15-0106. As a result of SRM-SECY-15-0106, the NRC staff created an Integrated Action Plan (ML19025A312) to modernize the DI&C regulatory infrastructure with four Modernization Plans. Modernization Plan #1 describes activities for addressing methods to eliminate the potential for digital common cause failure. NEI 20-07 contributes to the NRC staff's ongoing efforts described in Modernization Plan #1.

Due to the direct link between SRM-SECY-22-0076 and NEI 20-07 that will result in generic benefit to the NRC and the nuclear industry, and as provided for in the DI&C Integrated Action Plan, NEI believes that

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there is mutual benefit to the NRC staff's review of NEI 20-07 and that a fee exemption is appropriate. We are therefore submitting this letter to request a fee exemption to cover all activities, including pre-submittal activities, involved in the review of NEI 20-07.

The NRC has an established regulation governing fee exemptions as stated in 10 CFR 170.11, "Exemptions." In accordance with 10 CFR 170.11, NEI requests a fee exemption for the review of NEI 20-07 based on regulation 10 CFR 170.11(a)(1)(ii), which states that no fees shall be required for special projects that are requests or reports submitted to the NRC "[w]hen the NRC, at the time the request/report is submitted, plans to use the information in response to an NRC request from the Office Director level or above to resolve an identified safety, safeguards, or environmental issue, or **to assist the NRC in generic regulatory improvements or efforts** (e.g., rules, regulatory guides, regulations, policy statements, generic letters, or bulletins)." [emphasis added]

NEI believes that the effort to improve the licensing process for highly safety-significant safety-related DI&C systems constitutes the exact type of generic regulatory improvement envisioned by 10 CFR 170.11. NRC reviews and other efforts conducted in response to the NEI 20-07 will result in generic regulatory improvements and optimized allocation of resources in licensing and the industry's implementation of highly safety-significant safety-related DI&C systems.

NEI members pay dues that, in part, fund development of documents such as NEI 20-07, and NEI members are provided access to these documents in exchange for payment of those dues. NEI 20-07 is a proprietary technical report that provides guidance on establishing a safety case to address Common Cause Failure in High Safety-Significant, Safety-Related DI&C systems. Consequently, NEI is requesting that portions of NEI 20-07 be withheld from public disclosure pursuant to 10 CFR 2.390. The pages in the attached document that are being requested to be withheld are marked appropriately. To ensure industry access, NEI will make the document available to all NEI members and to non-NEI members for a reasonable fee. Thus, access to NEI 20-07 would not be limited to any arbitrary class of licensees.

Please contact me at [adc@nei.org](mailto:adc@nei.org) or (202) 439-3698 should you have any questions or concerns.

Sincerely,



Alan Campbell

c: Samir Darbali (NRR/DEX/ELTB)  
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