



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

June 3, 2024

MEMORANDUM TO: Shana R. Helton, Director
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

THRU: Samantha C. Lav, Chief
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

A handwritten signature in blue ink, appearing to be "S. Lav", is positioned to the left of the signature text.

Signed by Lav, Samantha
on 06/03/24

FROM: Joseph Rudd, Project Manager
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

A handwritten signature in blue ink, appearing to be "J. Rudd", is positioned to the left of the signature text.

Signed by Rudd, Joseph
on 06/03/24

SUBJECT: SUMMARY OF MAY 1, 2024, FUEL FACILITY STAKEHOLDER PUBLIC MEETING

The staff of the U.S. Nuclear Regulatory Commission (NRC) conducted a hybrid meeting (in-person and virtual via Microsoft Teams) with representatives of the Nuclear Energy Institute (NEI), the fuel facility industry, and members of the public on May 1, 2024. The purpose of this observation meeting (formerly category 2) was to discuss the status of several regulatory issues involving the fuel facility industry. Topics discussed during the meeting included the resolution of action items from the November 8, 2023, fuel facility stakeholder meeting; updates to the integrated schedule and its supplement; budget updates, licensing process improvements, construction oversight program status, rulemakings impacting the fuel facility community, security reporting requirements, and transportation of enriched uranium hexafluoride.

The public meeting notice with the agenda topics and the meeting presentations are available in the Agencywide Documents Access and Management System under Accession Nos., [ML24115A155](#) and [ML24116A165](#) respectively. No regulatory decisions or commitments were made during the meeting.

CONTACT: Joseph Rudd, NMSS/DFM
301-415-5039

The activities started with the NRC staff providing an overview of the meeting's category, purpose and logistics. Opening remarks were provided by Shana Helton, Director of the Division of Fuel Management (DFM), and Janet Schlueter, Senior Advisor, Fuel and Low-Level Waste, NEI.

After the opening remarks, the NRC staff provided an update on the resolution of the action items from the fall 2023 Fuel Facility Stakeholders Public Meeting. The action items included the following:

Action Item 1:

Make the NRC meeting presentation materials public at least 1 week prior to the scheduled meeting date.

The DFM has taken steps for planning and conducting the bi-annual fuel facility stakeholders meeting to facilitate issuing the meeting presentation materials to the public at least 7 days prior to the meeting.

This action item is an ongoing periodic action.

Action Item 2:

Maintain a current and up-to-date integrated schedule of regulatory activities chart on the NRC public website.

The NRC website (<https://www.nrc.gov/materials/fuel-cycle-fac/regs-guides-comm.html#cumeffects>) is updated at least twice a year prior to each stakeholder meeting and as needed when new items are added.

This action item is an ongoing periodic action.

Action Item 3:

The NRC will host a meeting prior to the spring 2024 public stakeholder meeting to brainstorm ideas for improvements or modifications to the existing NRC fee and budgeting structure.

A meeting was held on January 11, 2024 ([ML24033A212](#)).

This action item is closed.

Action Item 4:

The NRC will host a meeting to discuss updates to the Inspection Manual Chapters (IMCs) 2600 and 2694 and Instruction Procedures in the new 88200 series, Category II baseline.

Two public meetings were conducted on January 11, ([ML24033A212](#)) and April 9, 2024 ([ML24114A287](#)).

This action item is closed.

Action Item 5:

The NRC will implement a method to communicate the date of the most recent update to the TRISO-X dashboard.

A date stamp was added to the bottom of Review Status Summary page of the TRISO-X dashboard home page (<https://www.nrc.gov/info-finder/fc/triso-x/project-status.html>) to indicate the last date the dashboard was refreshed, and the data modified.

This action item is closed.

Action Item 6:

The NRC will consider an appropriate forum for providing greater clarity on the bifurcation of licensing applications.

The NRC will solicit feedback from the stakeholders on whether clarification is still needed.

This action item is closed as this was discussed during the May 2024 stakeholders meeting.

Integrated Schedule Chart and Supplement Updates

The NRC staff provided updates made between November 2023 and May 2024 to the rulemaking and regulatory activities impacting the fuel cycle industry listed on the integrated schedule of the regulatory activities chart. The integrated schedule supplement was also updated with changes from November to May. A detailed summary of the changes to the chart is provided under [ML24113A244](#). The NRC staff posted the updated integrated schedule and updated supplement on the NRC public website site at <https://www.nrc.gov/materials/fuel-cycle-fac/regs-guides-comm.html#cumeffects>.

Budget Formulation Process

The NRC staff presented some of the factors considered in the formation of the fuel facility business line annual budget, including considerations of proprietary schedule information, geopolitical events and historical submittal and execution data. The NRC staff presented changes from the fiscal year (FY) 2024 congressional budget justification (CBJ) to the FY 2024 enacted budget and explained how NRC efforts to account for changes in licensee and applicant plans resulted in a \$1.2M decrease in the FY 2024 enacted budget. The NRC staff also explained the drivers for the FY 2025 CBJ and the changes from the FY 2024 enacted budget.

The NRC staff presented a timeline of the steps that will be taken to develop the FY 2026 budget and resulting fee rule. The NRC staff explained when in the process the budget can be adjusted to account for fact of life changes. The industry was informed of the timeframe by which the NRC needs to know of schedule changes that affect the budget formulation for a given budget cycle.

Increased Communication and Transparency in the Fuel Facility Licensing Process

The NRC staff presented slides on continuing efforts that the staff is taking for continuous improvement. The increased use of pre-application engagement, increased communications during the acceptance review and multiple means of increasing understanding of requests for addition information. The NRC staff also presented the TRISO-X and Louisiana Energy Services public project dashboards and discussed plans to implement similar dashboards for other new facility applications and major licensing actions. The industry requested further detail and resource expenditure information be included in the dashboards, which the NRC staff will consider.

Construction Inspection Oversight Program

The NRC staff discussed construction/major modification inspection guidance updates and status; inspector training for inspection guidance implementation; and ongoing public communications. The NRC staff discussed the inspection guidance updates are intended to ensure the construction oversight program is agile, scalable, and flexible, while at the same time, continuing the smarter inspection program philosophy by enhancing efficiency and allowing for a more transparent inspection program, and considering the lower risks of fuel facility. The NRC staff discussed the status on the initiative and expressed appreciation for the comments provided during the April 9, 2024, public meeting, which were considered before putting the inspection guidance into the final review process.

The NRC staff discussed inspector training as a key aspect of inspection guidance implementation. The training will include an overview of inspection guidance structure and format, reinforce requirements based upon each individual license, etc., and refresh inspectors on the focus of construction inspections verses the operational focus during operational readiness reviews.

Last, the NRC staff noted that public meetings have been a key aspect of the inspection guidance updates initiative, and the May 1, 2024, stakeholders' meeting was the sixth public meeting on Category II inspection procedures and/or construction oversight program revisions since May 2023. The NRC staff noted public communications will continue, as needed, as the staff moves forward in the final internal reviews and issuance. The NRC staff also emphasized the importance of industry communication with the NRC, which is essential for timely and effective construction inspection program implementation.

The industry expressed interest in the topic of structures categorized as items relied on for safety (IROFS) to prevent and mitigate consequences for extreme natural hazards. In responding to questions, the NRC staff discussed the conditions under which structures or components would need to be IROFS for protection from natural phenomena hazards (NPH). The NRC staff explained that for amendments involving new buildings and for new license applications, an applicant/licensee must identify potential accident sequences caused by process deviations or other events internal to the facility and credible external events, including NPH. Specifically, as part of their integrated safety analysis, applicants/licensees must evaluate the risk associated with each credible NPH event at the site (e.g., high winds, tornado, intense precipitation, snow loading, seismic events, etc.) and identify the items relied upon to prevent potential accidents (that could exceed the performance requirements in 10 CFR 70.61) or mitigate potential consequences, including structures. This is not a new NRC staff position. Since the issuance of Subpart H to 10 CFR Part 70 in 2000, the NRC staff has required applicants for amendments or new facilities to evaluate new structures by applying the

requirements of 10 CFR 70.61(e) to determine if they needed to be IROFS.

The NRC staff reiterated that not all new structures would need to be IROFS and that the focus was on applying appropriate configuration controls (management measures) to ensure that any changes to the structure or internal components classified as IROFS would not impact their ability to meet the required loads associated with NPH.

This topic has an action item associated with it, which is, if requested by the industry, the NRC will host a meeting to further discuss structures as IROFS. At the conclusion of the stakeholders' meeting, the industry did not request a meeting on this topic, and the action remains open.

Status Update on Regulatory Guidance for 10 CFR Part 73 Reporting Requirements

The NRC staff presented the status of revisions to regulatory guides supporting the Enhanced Weapons Rule as a result of new requirements in 10 CFR Part 73. The draft regulatory guides (DGs) supporting the Enhanced Weapons Rule: DG-5080, "Physical Security Event Notifications, Reports, and Records" (ML23198A191), DG-5081, "Preemption Authority, Enhanced Weapons Authority, and Firearms Background Checks" (ML23198A185), and DG-5082, "Suspicious Activity Reports" (ML23198A151) have been published in the *Federal Register* and the public comment periods ended December 11, 2023 and December 14, 2023 with 42 comments received. The revised regulatory guides (RGs) will be issued as they are completed, with RG 5.86, Rev. 1, "Preemption Authority, Enhanced Weapons Authority, and Firearms Background Checks" already issued, RG 5.87, Rev. 1, "Suspicious Activity Reports Under 10 CFR Part 73" to follow and RG 5.62, Rev. 3, "Physical Security Event Notifications, Reports, and Records" afterwards.

The NRC staff has developed an Enforcement Guidance Memorandum (EGM) 23-001, "Enforcement Guidance Memorandum – Interim Guidance for Dispositioning Violations Associated with the Enhanced Weapons, Firearms Background Checks, and Security Event Notification Rule," that was issued prior to the compliance date of January 8, 2024, for the 10 CFR Part 73 regulations. The EGM provides NRC inspectors with discretionary tools due to the unresolved issues regarding implementation of the regulations, updates to the DGs, and backlog of exemption requests that were not be reviewed prior to the compliance date.

The NRC staff explained the contraband reporting requirements in 10 CFR 73.1200(e)(1)(iii) and (iv), and unauthorized personnel access in (i) and (ii). The NRC staff discussed changes to RG 5.62 that will incorporate a malevolent intent assessment to event assessment reporting. The difficulty of implementation of 10 CFR 73.1215 and coordination with the Federal Aviation Administration local control towers was acknowledged and the industry was informed that a rulemaking is required to make changes, and references will remain in the revised RG 5.87. The NRC staff is in the early stages of initiating the rulemaking process to address issues identified by the industry and NRC staff.

Industry expressed frustration with the complexity of compliance with the regulations and lack of finalization of guidance documents prior to implementation.

Discussion of Proposed Cyber Security Reporting Requirements

The NRC staff provided opening remarks to set the stage for the agenda topic discussions on the proposed cybersecurity reporting requirements rule being developed by the Department of

Homeland Security's (DHS) Cybersecurity and Infrastructure Security Agency (CISA) in response to the Cyber Incident Reporting for Critical Infrastructure Act of 2022 (CIRCIA). CIRCIA requires DHS/CISA to develop and implement regulations requiring covered entities within all 16 sectors of the Critical Infrastructure, including the Nuclear Reactors, Materials, and Waste sector, to report cyber incidents and ransomware payments to CISA. On April 4, 2024, the Federal Register published the CISA Notice of Proposed Rulemaking (89 FR 23644) for public comment. Any member of the public, including entities in critical infrastructure sectors and other stakeholders, can provide written comments on the proposed rulemaking until July 3, 2024. The written comments will inform the direction and substance of the Final Rule to be published in September 2025. After the opening remarks, meeting attendees discussed some of the industry concerns associated with the proposed rule including the potential for dual regulation for NRC licensees, including fuel cycle facilities. Furthermore, the meeting attendees discussed the need to have clear roles and responsibilities between the NRC and DHS/CISA via the implementation of a "CIRCIA Agreement" per the proposed rule. The NRC staff encouraged the industry to engage with DHS/CISA directly and comment on the proposed rule.

Status Update and Path Forward for Fuel Facility Inspection Program Self-Assessment-Report

The NRC staff provided a description of the purpose of the Fuel Facility Inspection Program Self-Assessment, clarifying that it is not a repeat of the Smarter Inspection Program (SIP), but rather an assessment of the overall effectiveness of the Fuel Cycle Inspection Program in meeting its established goals and intended outcomes, and is based on applicable existing self-assessment guidance. The NRC staff clarified that although the enhancements made by the SIP are not the only focus of the self-assessment, the self-assessment will include an in-depth evaluation of the impact of the changes implemented by the SIP, including their effectiveness, and what, if any issues they created.

The NRC staff explained that a working group made up of regional inspection staff and program office staff was formed in November 2023, and is evaluating qualitative and quantitative data relevant to completing the self-assessment. Although the self-assessment is not complete, in the interest of transparency, the NRC staff presented some examples of the working group's preliminary insights, with the caveat that all information presented was dependent on the outcomes of the ongoing evaluation.

The NRC staff provided some examples of areas of the program where no changes are expected. Examples included no anticipated changes to the risk categorization of technical areas, to the resident inspection program enhancements or the elimination of overlap in inspection procedures (IPs). Examples of areas of the program where analysis is ongoing that may lead to recommendations are potential opportunities to increase clarity and flexibility within the IPs, potential opportunities to improve guidance for the triennial plant modifications IP, and potential opportunities to improve organizational effectiveness. The NRC staff also communicated that the working group received feedback from qualified inspection staff regarding direct inspection hours for Category I Material Control and Accounting (MC&A). The working group is evaluating the information that may lead to recommendations for management consideration.

The industry provided feedback that transportation inspections at fuel cycle facilities are performed by fuel facility inspection staff and spend fuel storage and transportation staff and there may be overlap with these inspections and there may be opportunities to eliminate the overlap. The industry also mentioned that there may be similar overlaps between the triennial

modification inspections and annual inspections that could be eliminated. Industry also asked for more information regarding the feedback from qualified inspection staff regarding direct inspection hours for Category I MC&A. The NRC staff clarified that the evaluation of this information is still preliminary and detailed discussion would be premature.

The NRC staff will continue the self-assessment and follow its normal internal processes and procedures for finalizing the recommendations and issuance of a public report. The NRC staff anticipates issuing the report in late summer 2024.

RASCAL Code Revisions

The NRC staff presented impacts of changes made in version 4 of the Radiological Assessment System for Consequence Analysis (RASCAL) code that result in higher estimated consequences for uranium hexafluoride under certain conditions, as compared with version 3. The NRC staff advised the facilities utilizing RASCAL to monitor for changes to RASCAL and ensure that consequence assessments and emergency planning analyses are kept current. The NRC staff stated that the purpose of the presentation was to share operating experience for users of the RASCAL code and that other methods/models are used for consequence assessments in fuel cycle facilities.

Environmental Review: Bifurcation Requests and Categorical Exclusion Considerations

Applicants for new licenses are required to submit the environmental and safety portions of the application at the same time. Bifurcation of license applications is the separate submittal of the environmental and safety information, if approved by the NRC through an exemption in accordance with 10 CFR 51.60(a) and/or 10 CFR 70.21(f). An application is not considered complete and cannot be accepted by the NRC staff until all parts have been received. The early submittal of the environmental report to the NRC may promote pre-application engagement, improved early outreach and improved NRC resource allocation. The downsides to bifurcation include the inability of the NRC staff to initiate a full review until acceptance of the LA, the inability of the NRC to determine the appropriate level of National Environmental Policy Act (NEPA) review for the LA, and potential complications with compliance with the Fiscal Responsibility Act of 2023.

The NRC staff also discussed categorical exclusions from environmental reviews as authorized under 10 CFR 51.22. The NRC staff cannot speculate of the appropriate level of NEPA review until an application is accepted but encourages the applicant to adequately make their case for why their application should qualify for a categorical exclusion.

Summary of Meeting's Discussions

Following the completion of the discussions of the agenda items, the NRC staff provided a summary of the discussions held during the day. The NRC staff concluded the meeting with closing remarks by Shana Helton, Director, DFM, and Janet Schlueter, Senior Advisor, Fuel and Low-Level Waste, NEI.

Adjourn

Neither the NRC staff, the NEI, industry, nor members of the public raised further questions or comments, and the meeting was adjourned at 3:00 p.m. The NRC staff plans to conduct its next fuel facility stakeholder meeting during the fall of 2024.

Action Items

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

1. The NRC will continue making meeting materials available to the public at least 7 days in advance of the meeting.
2. The NRC will continue to maintain an up-to-date integrated schedule of regulatory activities chart on its [public webpage](#).
3. The NRC will consider adding the Department of Homeland Security initiative resulting from the Cyber Incident Reporting for Critical Infrastructure Act of 2022 (CIRCIA) to the integrated schedule of regulatory activities chart. The industry acknowledges that this is not within the NRC's purview but affects the fuel cycle industry.
4. If requested by the industry, the NRC will host a meeting to further discuss structures as IROFS.

Enclosure:
List of Attendees

SUBJECT: SUMMARY OF MAY 1, 2024, FUEL FACILITY STAKEHOLDER PUBLIC MEETING

DOCUMENT DATE: June 3, 2024

DISTRIBUTION:

BKarmiol, NMSS

RSun, NMSS

JMarcanoLozada, NMSS

NCovert, RII

PBrochman, NSIR

BWhite, NMSS

SHelton, NMSS

ADAMS Accession No : ML24143A191

| | | | |
|---------------|---------------|---------------|---------------|
| OFFICE | NMSS/DFM/FFLB | NMSS/DFM/FFLB | NMSS/DFM/FFLB |
| NAME | JRudd | JGoodridge | JRowley |
| DATE | 5/23/2024 | 5/28/2024 | 5/29/2024 |
| OFFICE | NMSS/DFM/FFLB | NMSS/DFM/FFLB | |
| NAME | SLav | JRudd | |
| DATE | 6/3/2024 | 6/3/2024 | |

OFFICIAL RECORD COPY

LIST OF ATTENDEES

May 1, 2024, FUEL FACILITY STAKEHOLDERS PUBLIC MEETING

| Name | Affiliation |
|-------------------------|---|
| Alex Prada | The U.S. Nuclear Regulatory Commission (NRC) |
| Alexis Sotomayor-Rivera | NRC |
| Andres Rowe | NRC |
| Andrew Carrera | NRC |
| Anthony Masters | NRC |
| Anthony Ponko | NRC |
| Ashley Morris | Member of the public |
| Ashby Bridges | NRC |
| Brandon Hanson | Framatome Inc. |
| Benjamin Karmioli | NRC |
| Billy Blaney | NRC |
| Brian Wagner | NRC |
| Brian Zaleski | NRC |
| Calvin Manning | Framatome Inc. |
| Camille Zozulla | Westinghouse |
| Caylee Kenny | NRC |
| Charlotte Shields | Nuclear Energy Institute |
| Chris Schwarz | URENCO USA |
| Cardelia Maupin | NRC |
| Christopher Markley | NRC |
| Diana Diaz Toro | NRC |
| Diana Woodyatt | NRC |
| Diane Jackson | NRC |
| Daniel Ashworth | BWXT Nuclear Operations Group, Inc.–Lynchburg (BWXT NOG-L) |
| Daniel Watts | Centrus Energy Corporation |
| Daniel Forsyth | NRC |
| Danielle Rogers | BWXT NOG-L |
| David Tiktinsky | Boston Government Services |
| Dante Johnson | NRC |
| Doug Weaver | Atomic Safety, LLC |
| E. Jay Spiva | Member of the public |
| Eliezer Goldfeiz | NRC |
| George Tartal | NRC |
| Gregg Goff | NRC |
| Gregory Trussell | NRC |
| Heather Petterson | BWXT NOG-L |
| Hector Rodriguez | NRC |
| Ismael Garcia | NRC |
| Jack Britt | NEI |
| James Drabble | NRC |

Enclosure

| | |
|-------------------------|---------------------------|
| James Hammelman | NRC |
| James Downs | NRC |
| Janet Schlueter | NEI |
| Jannette Worosilo | NRC |
| Jasmine Stanley | NRC |
| Jeannette Arce | NRC |
| Jennifer Wheeler | TRISO-X |
| Jennifer Guillard | NRC |
| Jennifer Gutierrez | NRC |
| Jeremy Smith | NRC |
| Jo Jacobs | NRC |
| Jodi Myers | Honeywell |
| Jonathan Marcano Lozada | NRC |
| Jonathan Rowley | NRC |
| Jose Cuadrado | NRC |
| Joseph Grice | NRC |
| Joseph Goodridge | NRC |
| Joseph Rudd | NRC |
| Juan Lopez | NRC |
| Justin Raudabaugh | NEI |
| Kenneth Fossum | Idaho National Laboratory |
| Kevin Pigg | Westinghouse |
| Kimyata Morgan-Butler | NRC |
| Laura Dudes | NRC |
| Lee Robinson | Member of the public |
| Linda Howell | NRC |
| Lindsey Cooke | NRC |
| Logan Crevelt | NRC |
| Marty Karr | Centrus Energy Group |
| Matt Bartlett | NRC |
| Matthew Doyle | NRC |
| Michael Greenleaf | NRC |
| Mike Call | NRC |
| Neil Herman | Member of the public |
| Nicholas Peterka | NRC |
| Nicole Coover | NRC |
| Nicole Cortes | NRC |
| Noel Pitoniak | NRC |
| Osiris Siurano-Perez | NRC |
| Pat Jenny | Global Laser Enrichment |
| Patricia Glenn | NRC |
| Phil Brochman | NRC |
| Richard Mogavero | NEI |
| Robert Mathis | NRC |
| Robert Sanders | Honeywell |
| Robert Sun | NRC |

| | |
|-----------------------|--------------------------------|
| Robert Williams | NRC |
| Samantha Lav | NRC |
| Samuel Bazian | NRC |
| Scott Murray | Global Nuclear Fuel - Americas |
| Sean Patterson | Honeywell |
| Shana Helton | NRC |
| Sheila Coleman-Turner | NRC |
| Stephen Poy | NRC |
| Suzanne Dennis | NRC |
| Thomas Vukovsky | NRC |
| Tim Tate | Framatome Inc. |
| Tim Knowles | Global Laser Enrichment |
| Timothy Sippel | NRC |
| Tom Boyce | NRC |
| Yawar Faraz | NRC |
| Yaira Diaz Sanabria | NRC |
| Zee St. Hilaire | NRC |