

February 3, 2000

MEMORANDUM TO: William H. Bateman, Chief  
Materials and Chemical Engineering Branch

THRU: Robert Hermann, Sr. Level Advisor */ra/*  
for Materials Science  
Materials and Chemical Engineering Branch

FROM: Meena K. Khanna */ra/*  
Component Integrity Section  
Materials and Chemical Engineering Branch

SUBJECT: MEETING WITH NUCLEAR ENERGY INSTITUTE AND MEMBERS OF  
THE PUBLIC TO DISCUSS THE DEVELOPMENT OF GUIDELINES  
FOR VOLUNTARY INDUSTRY INITIATIVES

By a staff requirements memorandum (SRM) dated May 27, 1999, the Commission approved the use of voluntary industry initiatives (VIIs) as an appropriate substitute for NRC regulatory action, where the action to be taken is needed to meet existing requirements or for cases where a substantial increase in overall protection can be achieved with costs of implementation justifying the increased protection. The SRM was issued in response to SECY-99-063, "The Use by Industry of Voluntary Initiatives in the Regulatory Process," dated March 2, 1999. An initial public meeting on this issue with interested stakeholders was held in Chicago, IL, on September 1, 1998.

On September 8, 1999, an internal NRC meeting was held to specifically determine guidelines to allow the drafting of an initial regulatory framework that supports the implementation of VIIs. A summary of this meeting, dated October 25, 1999, is publicly available.

On October 27, 1999, a second stakeholders meeting was held in Rosemont, IL, to obtain input from the industry, the Nuclear Energy Institute (NEI) and the public for the development of a regulatory framework to support the implementation of VIIs. The emphasis of the meeting was focused on nine areas, as specified in SECY-99-063: definition and initiation of voluntary industry initiatives, identification of staff and industry roles, tracking of licensee commitments, planning and resource allocation, fee management, developing inspection and monitoring guidelines, public participation, developing enforcement procedures, and schedule for finalizing guidelines/process.

On December 21, 1999, a third stakeholders meeting was held at the NRC's headquarters in Rockville, MD, to further explore the concept of VIIs. A copy of the transcript of this meeting is available in ADAMS under accession number ML003676383. A list of the attendees of the meeting is provided as Attachment 1.

CONTACT: Meena Khanna, DE  
415-2150

The NRC opened the discussion with a brief introduction and stated that the staff was interested in additional feedback from NEI on the concept of VIIs. NEI stated their concerns, which were as follows: (1) consistency of regulatory activities by the NRC, especially with regard to VIIs, and (2) the perception that the NRC desires to use VIIs as an alternative to the backfitting requirements of 10 CFR 50.109.

The NRC responded to NEI concerns by stating that it was their understanding that the industry preferred to address issues voluntarily, rather than in response to generic letters issued by the staff. The staff considers that the threshold for identifying issues to industry for resolution as a VII is similar to that used as the basis to issue a generic letter. Further, pursuing an issue as a VII would require the same NRC management overview, including approval by the NRR executive team, as would be required in preparing a generic letter.

NEI stated their position that the NRC should utilize some sort of regulatory process and not a VII if inspection and enforcement were to be involved. There was agreement between the parties that inspection and enforcement issues need to be clearly defined as a part of the VII process. NRC encouraged NEI to submit a proposed set of guidelines for establishing a VII process. NEI also presented and briefly discussed a proposed flow chart showing their thoughts on how the VII process could work (Attachment 2). They requested NRC comments on this flow chart, which the staff intends to provide in a separate correspondence.

The NRC offered NEI and other interested stakeholders an opportunity to provide comments for developing a process for implementation of VIIs. The staff suggested that these written comments should be provided in response to the Federal Register request, dated December 13, 1999 (64FR238).

In closing, the NRC staff provided its schedule for finalizing the guidelines/process for VIIs (Attachment 3). It was also suggested that the staff could request an extension of the schedule for the Commission paper, if NEI or other stakeholders proposed to provide comprehensive guidelines. The staff stated that it intends to request permission from the Commission to hold an additional stakeholder meeting once initial Commission guidance and policy have been provided to the staff regarding the process for VII implementation.

Attachments:

1. List of Meeting Participants
2. Meeting Handout
3. Schedule for Finalizing Guidelines/Process

The NRC opened the discussion with a brief introduction and stated that the staff was interested in additional feedback from NEI on the concept of VIIs. NEI stated their concerns, which were as follows: (1) consistency of regulatory activities by the NRC, especially with regard to VIIs, and (2) the perception that the NRC desires to use VIIs as an alternative to the backfitting requirements of 10 CFR 50.109.

The NRC responded to NEI concerns by stating that it was their understanding that the industry preferred to address issues voluntarily, rather than in response to generic letters issued by the staff. The staff considers that the threshold for identifying issues to industry for resolution as a VII is similar to that used as the basis to issue a generic letter. Further, pursuing an issue as a VII would require the same NRC management overview, including approval by the NRR executive team, as would be required in preparing a generic letter.

NEI stated their position that the NRC should utilize some sort of regulatory process and not a VII if inspection and enforcement were to be involved. There was agreement between the parties that inspection and enforcement issues need to be clearly defined as a part of the VII process. NRC encouraged NEI to submit a proposed set of guidelines for establishing a VII process. NEI also presented and briefly discussed a proposed flow chart showing their thoughts on how the VII process could work (Attachment 2). They requested NRC comments on this flow chart, which the staff intends to provide in a separate correspondence.

The NRC offered NEI and other interested stakeholders an opportunity to provide comments for developing a process for implementation of VIIs. The staff suggested that these written comments should be provided in response to the Federal Register request, dated December 13, 1999 (64FR238).

In closing, the NRC staff provided its schedule for finalizing the guidelines/process for VIIs (Attachment 3). It was also suggested that the staff could request an extension of the schedule for the Commission paper, if NEI or other stakeholders proposed to provide comprehensive guidelines. The staff stated that it intends to request permission from the Commission to hold an additional stakeholder meeting once initial Commission guidance and policy have been provided to the staff regarding the process for VII implementation.

Attachments:

1. List of Meeting Participants
2. Meeting Handout
3. Schedule for Finalizing Guidelines/Process

Distribution:   EMCB RF           RZimmerman       MMayfield  
                   File Center       RWessman         KWichman  
                   MVirgilio        PHolahan         Meeting Attendees  
                   SCollins         JCraig

DOCUMENT NAME: G:\EMCB\VOL-INIT 99-063\neimtgsummary.wpd

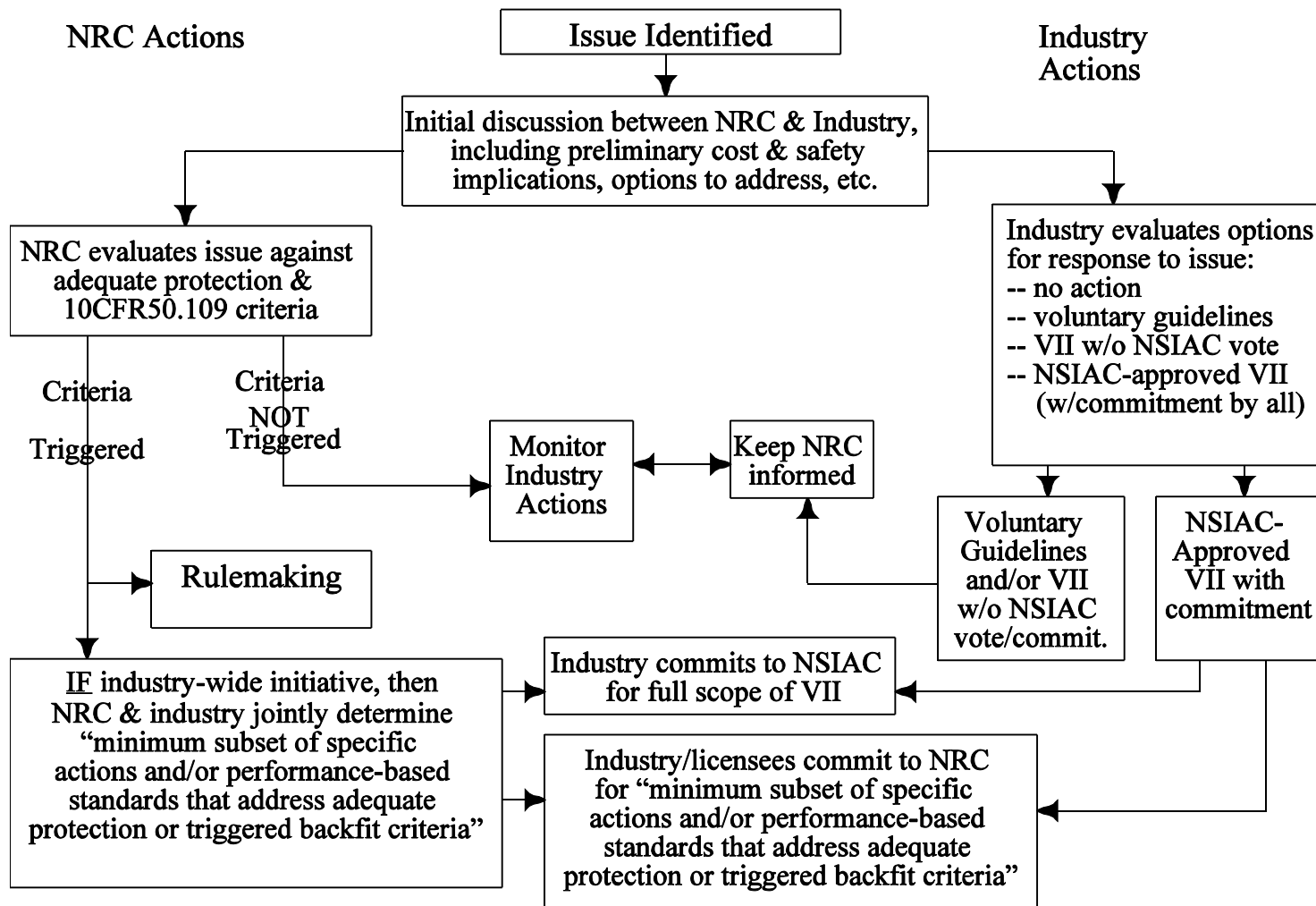
INDICATE IN BOX: "C"=COPY W/O ATTACHMENT/ENCLOSURE, "E"=COPY W/ATT/ENCL, "N"=NO COPY

OFFICE	EMCB:DE	E	EMCB:DE	E	EMCB:DE	E	EMCB:DE	N	D:DE	N
NAME	MKKhanna:mkk		CECarpenter:cec		RAHermann:rah		WHBateman:krw for		JRStrosnider:jrs	
DATE	01/24/2000		01/24/2000		01/24/2000		02/03/2000		02/03/2000	

DECEMBER 21, 1999, MEETING PARTICIPANTS

1. B. Sheron, NRR
2. J. Strosnider, NRR
3. W. Bateman, NRR
4. R. Hermann, NRR
5. C. Carpenter, NRR
6. M. Khanna, NRR
7. B. Reckley, NRR
8. J. Shapaker, NRR
9. B. Palla, NRR
10. T. Collins, NRR
11. B. Dean, NRR
12. J. Colaccino, NRR
13. M. Pohida, NRR
14. B. Westreich, OE
15. D. Dambly, OGC
16. N. Dudley, ACRS
17. C. Brinkman, ABB CENP
18. D. Jubb, Westinghouse
19. G. Vine, EPRI
20. A. Marion, NEI
21. D. Modeen, NEI
22. M. Frank, Scientech
23. D. Raleigh, Bechtel Power

# Simplified Process for Voluntary Industry Initiatives (VIIs) - Proposed



### Schedule for Finalizing Guidelines/Process

May 27, 1999	SRM Issued
June 30, 1999	Discussion with NMSS Management Regarding Applicability
July 13, 1999	Meeting with OE/OGC to Discuss Enforcement Issues
September 8, 1999	Internal Stakeholders Meeting
October 12, 1999	Meeting Noticed and Information Placed on NRC Web
October 27, 1999	External Stakeholders Meeting
November 30, 1999	<u>Federal Register</u> Notice Soliciting Comments by 01/15/2000
March 30, 2000	Guidelines/Process Drafted
May 24, 2000	Guidelines/Process Due to Commission