

February 11, 2000

Mr. Ralph Beedle
Nuclear Energy Institute
1776 I Street, N. W.
Washington, D. C. 20006-24996

SUBJECT: TELEPHONE CONVERSATION REGARDING NEI's POSITION ON
DEVELOPING GUIDELINES FOR CREDITING VOLUNTARY INDUSTRY
INITIATIVES IN LIEU OF REGULATORY ACTIONS

Dear Mr. Beedle:

On February 6, 2000, Mr. Jack Strosnider and I had a telephone conversation with you regarding the Nuclear Energy Institute's (NEI's) position on the staff's proposal to develop guidelines for crediting voluntary industry initiatives (VIIs) in lieu of regulatory action. The purpose of this letter is to document that telephone conversation and our understanding that you would provide a letter stating NEI's position on this subject at a meeting scheduled for February 17, 2000, at the US Nuclear Regulatory Commission's (NRC's) Headquarters in Rockville, Maryland.

During this telephone conversation, we discussed the history of our interactions on this subject, which is summarized in the enclosure. As the enclosure indicates, the staff has actively pursued involvement of external stakeholders, including NEI and the industry, as part of this initiative. The NRC staff has had discussions on this subject at several public meetings with NEI and other interested stakeholders, as described in the attachment. These discussions focused mainly on the intent and usage of VIIs, without significant input from the various stakeholders on specifics to be included in the proposed guidelines.

On December 13, 1999, the NRC issued a Federal Register notice (64 FR 238) "... soliciting additional stakeholder comments from interested parties on both the technical and regulatory aspects related to the development of guidelines to allow the drafting of a regulatory framework that supports the implementation of [VIIs]," from interested stakeholders, by January 15, 2000. Mr. Strosnider expanded upon this solicitation during the December 21, 1999, meeting with your staff, stating that this included any comments, up to and including proposed guidelines *in toto*. The response date was chosen in order to allow the staff time to incorporate any comments received into the proposed guidelines. No response to the FR notice was received from NEI or any other stakeholders. Given the general nature of the discussions at the public meetings, it is our understanding that the industry has comments and concerns on the proposed guidelines. However, we cannot address those concerns until the industry provides them to us.

Given this history, I requested in our February 6, 2000, telephone conversation, that you provide more specifics regarding NEI's position on the VII proposal and your plans for providing any additional industry input. At your request, we have scheduled a public meeting on this subject for 1:00 p.m. on February 17, 2000, to be held in room O-4B-6 at the NRC Headquarters. Per our telephone conversation, I understand that, at this meeting, you will provide a written statement detailing NEI's position and plans regarding the development of guidelines for crediting voluntary industry initiatives in lieu of regulatory actions, and that we will discuss future plans in this area.

As indicated in the enclosure, the milestone for providing the proposed VII guidelines to the Commission is May 24, 2000. If NEI does not intend to provide any additional, detailed input, the staff will proceed to develop guidelines based on the general discussions and comments received during the several meetings on VIIs held to date, and provide these proposed guidelines to the Commission on the requested schedule. Alternatively, if NEI, or other interested stakeholders, want to provide more detailed comments and input, it may be possible to provide additional time to factor that input into development of these guidelines. However, we would need to know this no later than February 17, 2000, in order to pursue Commission approval for a revised schedule.

The staff continues to believe that voluntary industry initiatives can play a major role in achieving our regulatory goals of maintaining safety; reducing unnecessary regulatory burden; improving efficiency, effectiveness, and realism; and improving public confidence. I appreciate your cooperation on this subject and look forward to our discussions on February 17, 2000.

Sincerely,

/RA by/

Brian W. Sheron, Associate Director for
Project Licensing and Technical Analysis
Office of Nuclear Reactor Regulation

Enclosure: As stated

cc: Alex Marion, NEI
David Modeen, NEI
Owners Groups' Chairs
PWR MRP Chair
BWRVIP Chair
Mr. Ray Shadis
Mr. David Kraft, NEIS

Mr. Ralph Beedle

-2-

Given this history, I requested in our February 6, 2000, telephone conversation, that you provide more specifics regarding NEI's position on the VII proposal and your plans for providing any additional industry input. At your request, we have scheduled a public meeting on this subject for 1:00 p.m. on February 17, 2000, to be held in room O-4B-6 at the NRC Headquarters. Per our telephone conversation, I understand that, at this meeting, you will provide a written statement detailing NEI's position and plans regarding the development of guidelines for crediting voluntary industry initiatives in lieu of regulatory actions, and that we will discuss future plans in this area.

As indicated in the enclosure, the milestone for providing the proposed VII guidelines to the Commission is May 24, 2000. If NEI does not intend to provide any additional, detailed input, the staff will proceed to develop guidelines based on the general discussions and comments received during the several meetings on VIIs held to date, and provide these proposed guidelines to the Commission on the requested schedule. Alternatively, if NEI, or other interested stakeholders, want to provide more detailed comments and input, it may be possible to provide additional time to factor that input into development of these guidelines. However, we would need to know this no later than February 17, 2000, in order to pursue Commission approval for a revised schedule.

The staff continues to believe that voluntary industry initiatives can play a major role in achieving our regulatory goals of maintaining safety; reducing unnecessary regulatory burden; improving efficiency, effectiveness, realism; and improving public confidence. I appreciate your cooperation on this subject and look forward to our discussions on February 17, 2000.

Sincerely,

Brian W. Sheron, Associate Director for
Project Licensing and Technical Analysis
Office of Nuclear Reactor Regulation

Enclosure: As stated

cc: Alex Marion, NEI
David Modeen, NEI
Owners Groups' Chairs
PWR MRP Chair
BWRVIP Chair
Mr. Ray Shadis
Mr. David Kraft, NEIS

Distribution:

Document Name: G:\EMCB\vol-init 99-063\Beedle Letter.wpd

Sam Collins Roy Zimmerman Robert Hermann Bill Bateman
Richard Wessman Bill Bateman C. E. Carpenter

To receive a copy of this document, indicate in the box C=Copy w/o attachment/enclosure E=Copy with attachment/enclosure N = No copy

OFFICE	D:DE	ADPT:NRR
NAME	JRStrosnider:JRS	BWSheron:BWS
DATE	02/09/2000	02/11/2000

ENCLOSURE

The initiative to develop guidelines for crediting industry voluntary initiatives in lieu of regulatory action is an outgrowth of the Commission's Direction Setting Initiative (DSI) 13 entitled "The Role of Industry and Use of Industry Initiatives" (SECY 97-303), dated December 31, 1997 and the associated staff requirements memorandum (SRM) issued on April 16, 1998. In accordance with the Commission's SRM, a public stakeholders meeting on DSI-13 was held in Rosemont, Illinois, on September 1, 1998. On March 2, 1999, the staff forwarded SECY 99-063 to the Commission proposing to develop guidelines for crediting voluntary industry initiatives in lieu of regulatory action providing an outline of the areas proposed to be addressed in the guidelines. On May 27, 1999, the Commission issued an SRM approving the staff's recommendations in SECY 99-063. The SRM directed the staff to move forward, working with the industry and other stakeholders, in the development of the process and guidelines for use of industry initiatives in the regulatory process. The Commission set a due date of May 24, 2000 for providing the proposed guidelines to the Commission for review prior to implementation.

A second public meeting with interested stakeholders, including NEI and Owners Groups management representatives, was held on October 27, 1999, in Rosemont, Illinois, which is summarized in a meeting summary dated November 18, 1999. At the request of the Nuclear Energy Institute (NEI), a third stakeholders meeting was held at the NRC Headquarters on December 21, 1999. Both of these meetings were noticed and discussed in advance with NEI and other stakeholders. Although the attendance at the October meeting was relatively small (seven external stakeholders), the panel at the meeting included management representatives from NRC, NEI, and two nuclear utilities. Other participants represented a vendor and industry consultants. A representative from the Nuclear Energy Information Services (NEIS) who had planned to attend was unfortunately unable to be at the meeting. Seven external stakeholders also participated in the December 21, 1999 meeting. Participants in this meeting included management from NEI, NRC and EPRI, as well as representatives from utilities and vendors. Discussions at both of these meetings focused largely on the general concept and philosophy of crediting industry voluntary initiatives in lieu of regulatory action, and was less focused on the specific details to be included in the guidelines. During the December 21, 1999, meeting, the NEI representatives provided a one page flow chart outlining a proposed process for crediting industry initiatives. The NRC staff indicated it would review the flow chart and provide comments, which were provided to NEI by letter dated February 9, 2000. These meetings were transcribed, and the NRC staff intends to use the comments and suggestions made at these meetings in its development of the guidelines.

During both the October 27, and the December 21, 1999, meetings, the NRC staff requested that stakeholders respond to the Federal Register notice (64 FR 238, dated December 13, 1999), soliciting comments from "...interested parties on both the technical and regulatory aspects related to the development of guidelines to allow the drafting of a regulatory framework that supports the implementation of [VILs]" by January 15, 2000. During both of these meetings, the NRC management suggested that NEI consider proposing a set of guidelines in response to the FR notice, up to and including proposed guidelines *in toto*. The staff noted that it could propose a revised schedule to the Commission if the industry needed more time to develop such guidelines. Notwithstanding the above, the NRC did not receive any comments in response to the FR notice from NEI or any other party.

On February 2, 2000, Messers. Strosnider, Bateman and Carpenter of my staff had a telephone conversation with Mr. Marion and Mr. Modeen of your staff. During that conversation, Mr. Strosnider asked if NEI planned to provide any further comments or input to the proposed guidelines. Mr. Marion indicated that some initial guiding principals would be provided by NEI to the staff in February 2000, and additional comments would be provided by early March 2000. He also requested that NRC provide any comments on the flow chart that NEI had provided to the NRC during the December 21, 1999, public meeting; these were provided in a letter dated February 9, 2000.

ENCLOSURE

cc:

Mr. Alex Marion, Director
Programs
Nuclear Energy Institute
Suite 400
1776 I Street, NW
Washington, DC 20006-3708

Mr. David Modeen, Director
Engineering
Nuclear Energy Institute
Suite 400
1776 I Street, NW
Washington, DC 20006-3708

Mr. Anthony Pietrangelo, Director
Licensing
Nuclear Energy Institute
Suite 400
1776 I Street, NW
Washington, DC 20006-3708

Mr. Jim Davis, Director
Operations
Nuclear Energy Institute
Suite 400
1776 I Street, NW
Washington, DC 20006-3708

Ms. Lynnette Hendricks, Director
Plant Support
Nuclear Energy Institute
Suite 400
1776 I Street, NW
Washington, DC 20006-3708

Mr. Charles B. Brinkman, Director
Washington Operations
ABB-Combustion Engineering, Inc.
12300 Twinbrook Parkway, Suite 330
Rockville, Maryland 20852

Mr. H. A. Sepp, Manager
Regulatory and Licensing Engineering
Westinghouse Electric Company
P.O. Box 355
Pittsburgh, Pennsylvania 15230-0355

Mr. W. Glenn Warren
BWR Owners' Group Chairman
Southern Nuclear Company
42 Inverness Parkway
PO Box 1295
Birmingham, AL 35201

Mr. James M. Kenny
BWR Owners' Group Vice Chairman
PP&L, Inc.
Mail Code GENA6-1
Allentown, PA 18101-1179

Mr. Thomas J. Rausch
RRG Chairman
Commonwealth Edison Company
Nuclear Fuel Services
1400 Opus Place, 4th Floor
Downers Grove, IL 60515-5701

Mr. Drew B. Feters
PECO Energy
Nuclear Group Headquarters
MC 61A-3
965 Chesterbrook Blvd.
Wayne, PA 19087-5691

Mr. H. Lewis Sumner
Southern Nuclear Company
40 Inverness Parkway
PO Box 1295
Birmingham, GA 35201

Mr. Carl D. Terry
Vice President, Nuclear Engineering
Niagara Mohawk Power Corporation
Nine Mile Point - Station
OPS Bldg/2nd Floor
PO Box 63
Lycoming, NY 13093

Mr. George T. Jones
PP&L, Inc.
MC GENA6-1
Two North Ninth Street
Allentown, PA 18101

Mr. John Kelly
New York Power Authority
14th Floor Mail Stop 14K
Centroplex Building
123 Main Street
White Plains, NY 10601

Mr. Thomas G. Hurst
GE Nuclear Energy
M/C 182
175 Curtner Avenue
San Jose, CA 95125

Mr. Thomas A. Green
GE Nuclear Energy
M/C 182
175 Curtner Avenue
San Jose, CA 95125

Mr. Gordon C. Bischoff, Project Director
CE Owners Group
ABB Combustion Engineering Nuclear
Power
M.S. 9615-1932
2000 Day Hill Road
Post Office Box 500
Windsor, CT 06095

Mr. Ralph Phelps, Chairman
CE Owners Group
Omaha Public Power District
P.O. Box 399
Ft. Calhoun, NE 68023-0399

Mr. Ian C. Rickard, Director
Nuclear Licensing
ABB Combustion Engineering Nuclear
Power
2000 Day Hill Road
Post Office Box 500
Windsor, CT 06095

Mr. Charles B. Brinkman, Manager
Washington Operations
ABB Combustion Engineering Nuclear
Power
12300 Twinbrook Parkway, Suite 330
Rockville, MD 20852

Mr. H. A. Sepp, Manager
Regulatory and Licensing Engineering
Westinghouse Electric Corporation
P.O. Box 355
Pittsburgh, PA 15230-0355

Mr. Andrew Drake, Project Manager
Westinghouse Owners Group
Westinghouse Electric Corporation
Mail Stop ECE 5-16
P.O. Box 355
Pittsburgh, PA 15230-0355

Mr. Jack Bastin, Director
Regulatory Affairs
Westinghouse Electric Corporation
11921 Rockville Pike
Suite 107
Rockville, MD 20852

Randy Hutchinson, Chairman
B&WOG Executive Committee
Vice President Operations
Arkansas Nuclear One
Entergy Operations, Inc.
1448 S.R. 333
Russellville, AK 72801-0967

Mr. W. W. Foster, Chairman
B&WOG Steering Committee
Director of Safety Assurance
Duke Power Company
Oconee Nuclear Station
P.O. Box 1439
Seneca, SC 29679

Mr. J. J. Kelly, Manager
B&W Owners Group Services
Framatome Technologies, Inc.
P.O. Box 10935
Lynchburg, VA 24506-0935

Mr. F. McPhatter, Manager
Framatome Cogema Fuels
3315 Old Forest Road
P.O. Box 10935
Lynchburg, VA 24506-0935

Mr. R. Schomaker, Manager
Framatome Cogema Fuels
3315 Old Forest Road
P.O. Box 10935
Lynchburg, VA 24506-0935

Mr. Michael Schoppman
Licensing Manager
Framatome Technologies, Inc.
1700 Rockville Pike, Suite 525
Rockville, MD 20852-1631

Mr. Gary L. Vine
Senior Washington Representative
Electric Power Research Institute
2000 L Street, N.W., Suite 805
Washington, DC 20036

Mr. James F. Lang
Electric Power Research Institute
Post Office Box 217097
1300 W.T. Harris Boulevard
Charlotte, NC 28262

Mr. Bindi Chexal
Electric Power Research Institute
Post Office Box 10412
Palo Alto, CA 94303

Mr. Raymond C. Torok
Project Manager, Nuclear Power Group
Electric Power Research Institute
Post Office Box 10412
Palo Alto, CA 94303

Bill Eaton, Executive Chair
BWRVIP Inspection Committee
Entergy Operations, Inc.
PO Box 756, Waterloo Rd
Port Gibson, MS 39150-0756

Harry P. Salmon, Executive Chairman
BWRVIP Integration Task
New York Power Authority
123 Main St., M/S 11 D
White Plains, NY 10601-3104

James P. Pelletier, BWRVIP Liaison
to EPRI Nuclear Power Council
Nebraska Public Power District
1200 Prospect Avenue
PO Box 98
Brownville, NE 68321-0098

Robert Carter, EPRI BWRVIP
Assessment Manager
Greg Selby, EPRI BWRVIP
Inspection Manager
EPRI NDE Center
P. O. Box 217097
1300 W. T. Harris Blvd.
Charlotte, NC 28221

Joe Hagan, BWRVIP Vice Chairman
PEPCO Energy Co.
MC 62C-3
965 Chesterbrook Blvd
Wayne, PA 19807-5691

Steve Lewis, Technical Chairman
BWRVIP Assessment Task
Entergy
P. O. Box 756
Waterloo Road
Port Gibson, MS 39150

Carl Larsen, Technical Chairman
BWRVIP Inspection Task
P.O. Box 157
Vernon, VT 05354

John Wilson, Technical Chairman
BWRVIP Mitigation Task
Clinton Power Station, M/C T-31C
P.O. Box 678
Clinton, IL 61727

Vaughn Wagoner, Technical Chairman
BWRVIP Integration Task
Carolina Power & Light Company
One Hannover Square 9C1
P.O. Box 1551
Raleigh, NC 27612

Bruce McLeod, Technical Chairman
BWRVIP Repair Task
Southern Nuclear Operating Co.
Post Office Box 1295
40 Inverness Center Parkway
Birmingham, AL 35201

Tom Mulford, EPRI BWRVIP
Integration Manager
Raj Pathania, EPRI BWRVIP
Mitigation Manager
Ken Wolfe, EPRI BWRVIP
Repair Manager
Electric Power Research Institute
P. O. Box 10412
3412 Hillview Ave.
Palo Alto, CA 94303

Mr. Ray Shadis, Staff
New England Coalition on Nuclear Pollution
P. O. Box 76
Edgecomb, Maine 04556

Mr. David Kraft
Nuclear Energy Information Services
P. O. Box 1637
Evanston, IL 60204