



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

February 23, 2000

CHAIRMAN

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands,
Private Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 2000 Energy and Water Development Appropriations Act, Senate Report 106-58 and House Report 106-253, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. As further directed in House Report 106-253, we have expanded the monthly report to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to harmonize NRC security regulations with Part 50. Also, beginning with this report, we have expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the fourteenth report, which covers the month of January (Enclosure 1).

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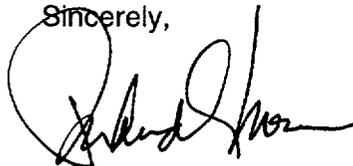
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Richard A. Meserve

Enclosures:

1. January Monthly Report
2. Tasking Memorandum

cc: Senator Bob Graham



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CHAIRMAN

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

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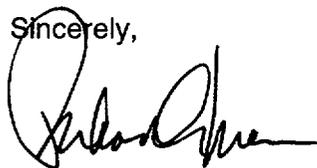
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cc: Representative Rick Boucher



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Committee on Appropriations
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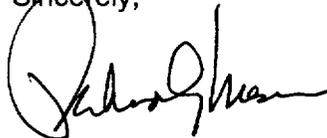
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cc: Representative Peter J. Visclosky



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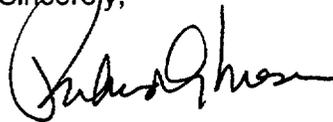
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cc: Senator Harry Reid



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Dear Mr. Chairman:

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The December report provided information on a number of significant NRC activities. NRC continued to concentrate on preparations for the Year 2000 transition. NRC inspectors completed on-site reviews of selected nuclear power plants undergoing decommissioning and found no problems with their Year 2000 transition program activities. During the actual transition period, NRC provided staff for key positions in the President's Council's Information Coordination Center, as well as staffing the NRC Incident Response Center at the Headquarters location, each of the four Regional Offices, and assigning inspectors to be present in all 103 operating reactor control rooms. NRC and its licensees successfully made the transition into the Year 2000.

Late in December, NRC issued an order transferring the source material license from Atlas Corporation to the Moab Mill Reclamation Trust, pursuant to the settlement agreement approved by the U.S. Bankruptcy Court. The order transfers the license to the Trust and authorizes the Trust to perform reclamation of the uranium mill tailings site.

In January, the Commission approved the staff's recommendation to modify the resident inspector staffing policy. This modification will be in effect until NRC completes a comprehensive review of inspector resources associated with the revised reactor oversight process. As a result of the Commission's decision, a minimum of two resident inspectors will

be stationed at dual unit sites and three resident inspectors at triple unit sites. No change was made to the staffing at single unit sites, which remained constant at two inspectors. This staffing policy is intended to add flexibility to the assignment of inspection resources and represents a greater focus on safety by enhancing NRC's ability to allocate inspection resources on the basis of licensee performance. The policy change will not result in a direct reduction of the overall inspection resources or the Agency's ability to complete planned inspection program requirements.

Also during January, the Commission approved the staff's plan to risk-inform the scope of 10 CFR Part 50 regulations for the reactor program. The Commission believes that this effort will enhance public safety by allowing licensees and NRC to focus resources on the most significant safety issues. We intend to solicit stakeholder discussion throughout the rulemaking process.

Since our December report, the Commission and the NRC staff also:

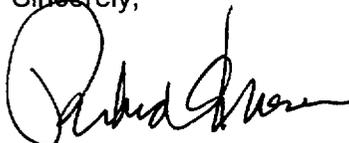
- Forwarded for Commission approval the staff's review of the Calvert Cliffs license renewal application and recommendation regarding renewal of the operating licenses for Units 1 and 2 for an additional twenty years. In addition, as of January 21, the staff's environmental review for the license renewal application for Oconee Nuclear Power Plant Units 1, 2, and 3 is complete.
- Conducted roundtable public meetings in the vicinity of both the Prairie Island (Minnesota) and FitzPatrick (New York) power plants. At these local meetings, NRC staff discussed the new risk-informed revised reactor oversight process with members of the public and state and local officials. These were the last of the roundtable meetings NRC has held in the vicinity of the nine pilot plant sites.
- Completed performance reviews of all pilot plants participating in the revised reactor oversight process. Based on the reviews, NRC issued inspection plan letters to each pilot licensee informing them of NRC's future inspection activities for the next six months.
- Conducted an internal lessons-learned workshop following the completion of the revised reactor oversight process pilot program at the end of November 1999. During this workshop NRC staff identified pilot program issues, and discussed their impact on readiness for initial implementation in April 2000 and key NRC performance goals. On January 10 -13, 2000, NRC conducted a well-attended revised reactor oversight process pilot program lessons-learned public workshop with members of industry and the public.
- Conducted a Commission meeting with NRC staff, the licensee for the D.C. Cook nuclear power station, and other stakeholders to discuss the status of D.C. Cook's preparations to restart the two units located at the facility. On February 2, 2000, NRC closed out the confirmatory action letter, permitting restart of the D.C. Cook units following appropriate NRC reviews and inspections.

- Approved a proposed rule that adds the Nuclear Assurance Corporation's Universal Multipurpose System-Universal Storage System to the list of approved spent fuel storage casks. This amendment would allow the holders of power reactor operating licenses to store spent fuel in the approved casks under a general license.
- Published a Federal Register notice seeking public comment on restructuring the allegation program under the agency's revised reactor oversight process. At the conclusion of the public comment period, the NRC will conduct a public meeting to discuss stakeholder comments and options for revising the allegation program.
- Issued a performance review report which indicates a continued need for increased NRC oversight of the regulatory safety performance at the Nuclear Fuel Services, Incorporated, fuel processing facility at Erwin, Tennessee.
- Issued for public comment a draft Standard Review Plan (SRP) for the review of a possible future application for a mixed oxide (MOX) fuel fabrication facility. The draft SRP defines standards and criteria that the NRC staff would use in reviewing an application to decide if there is reasonable assurance that a MOX fuel fabrication facility will be constructed and operated in a manner that will provide reasonable protection of the health and safety of workers and the public and the environment and that will not be inimical to the common defense and security.

I have enclosed (Enclosure 2) the January update to the Tasking Memorandum which delineates the specific initiatives completed by the agency since August 1998 and future milestones.

Please do not hesitate to contact me if I may provide additional information.

Sincerely,



Richard A. Meserve

Enclosures:

1. January Monthly Report
2. Tasking Memorandum

cc: Senator Max Baucus



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

February 23, 2000

The Honorable Pete V. Domenici
United States Senate
Washington, D.C. 20510

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