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CHAIRMAN

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

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The Honorable Ted Stevens, Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Senator Robert C. Byrd

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CHAIRMAN

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

The Honorable Fred Thompson, Chairman
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Senator Joseph I. Lieberman



CHAIRMAN

UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

The Honorable C.W. Bill Young, Chairman
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Representative David Obey



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

CHAIRMAN

The Honorable Dan Burton, Chairman
Committee on Government Reform
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Representative Henry Waxman



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 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:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Senator Bob Graham



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

CHAIRMAN

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

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Representative Rick Boucher



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

CHAIRMAN

The Honorable Tom Bliley, Chairman
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

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Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Representative John D. Dingell



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

CHAIRMAN

The Honorable Robert C. Smith, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Senator Max Baucus



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

CHAIRMAN

The Honorable Frank Murkowski, Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

cc: Senator Jeff Bingaman



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

CHAIRMAN

The Honorable David M. Walker
Comptroller General of the United States
General Accounting Office
Washington, D.C. 20548

Dear Mr. Walker:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 2, 2000

CHAIRMAN

The Honorable Jacob J. Lew
Director, Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Lew:

I am enclosing a summary of actions taken by the U.S. Nuclear Regulatory Commission (NRC) in response to recommendations concerning the NRC which were in reports issued by the General Accounting Office. This summary, which is required by Section 236 of Public Law 91-510, the "Legislative Reorganization Act of 1970," describes the progress made in responding to recommendations since our summary report of February 1, 1999.

Sincerely,

Richard A. Meserve

Enclosure:
Summary of NRC Actions

SUMMARY OF NRC ACTIONS

RESPONSE TO GAO REPORTS

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GAO Report - NRC's Decommissioning Procedures and Criteria
Need to be Strengthened
May 1989
(GAO/RCED-89-119)

Recommendation No. 2 (Chapter 5)

The GAO report recommended that NRC ensure that licensees decontaminate their facilities in accordance with NRC's guidance before fully or partially releasing a site for unrestricted use.

NRC Response of September 26, 1989 and Current Update

The NRC agreed. In the 1998 update, this GAO recommendation was closed with respect to NRC licenses other than uranium recovery licensees.

The rulemaking to promulgate radiological criteria for license termination for uranium recovery licensees has been completed. The final rule (SECY-99-046,"Radiological Criteria for License Termination of Uranium Recovery Facilities") was provided to the Commission on February 10, 1999. The Commission approved the final rule in a Staff Requirements Memorandum dated March 17, 1999. The final rule was noticed in the Federal Register on April 12, 1999 (99 FR 90035). Guidance on implementing the final rule was also noticed in the Federal Register on April 12, 1999 (99 FR 90036). The rule became effective on June 11, 1999. The guidance will be incorporated into the "Standard Review Plan for Review of Reclamation Plans for Mill Tailings Sites under Title II of the Uranium Mill Tailings Radiation Control Act," which is expected to be published in March 2000.

The NRC staff is currently developing guidance which will be used by NRC staff and all NRC licensees who are decommissioning their facilities to determine if the decommissioning can be accomplished safely and if the site meets the NRC's requirements for license termination. This includes (1) a Standard Review Plan that describes how NRC will review applications for license termination, (2) a final Regulatory Guide that describes methodologies that may be used by licensees and others to comply with the License Termination Rule requirements in 10 CFR Part 20, Subpart E, and (3) analytical tools to allow licensees to relate residual radioactivity contamination levels at their sites to annual dose. This guidance is expected to be completed in July 2000.

This GAO recommendation is closed.

GAO Report - Nuclear Regulation
Action Needed to Control Radioactive Contamination
at Sewage Treatment Plants
May 1994
(GAO/RCED-94-133)

Recommendation No. 1

Determine the extent to which radioactive contamination of sewage sludge, ash, and related byproducts is occurring.

NRC Response of August 22, 1994 and Current Update

The NRC is continuing to evaluate the extent to which radioactive contamination of sewage sludge, ash, and related byproducts is occurring. Initial results of NRC inspections and research analysis conducted in the mid- to-late-1980s indicated that the problem was limited to a few treatment plants that served licensees engaged in certain well-defined activities. As a result, NRC regulations (10 CFR Part 20) were revised in 1991 to prohibit the discharge of liquids containing radioactive waste materials that tended to settle out of sewage water.

In addition to the changes to our regulations, in 1993 we initiated additional studies to understand the complexities of radioactive material reconcentration, such as the possible effects of implementation of state-of-the-art sewage treatment technologies on materials that, under traditional treatment methods, did not reconcentrate. In a letter dated October 11, 1994, NRC and EPA notified water and radiological officials of all States of the potential for reconcentration of radioisotopes in sanitary sewer systems.

Currently, the NRC is working with EPA and other interested parties to develop a national approach for ensuring the protection of treatment workers and the public. Through the Sewage Sludge Subcommittee of the Interagency Steering Committee on Radiation Standards, NRC and EPA are currently developing a national survey of sewage treatment plants to assess the extent of radioactive contamination in sludge and ash. A pilot survey for nine facilities was completed and the results were published in May 1999 and are available at <http://www.epa.gov/rpdweb00/tenorm/docs/sludgereport.htm>. For the full survey, questionnaires were sent to 631 facilities in June 1999, from which 377 facilities completed and returned the questionnaires. Of these, 300 were selected for the sampling phase of the survey, and sample kits were sent to the first 75 facilities in the fall of 1999.

In addition, NRC and EPA are developing guidance on radioactive material in sewage sludge and ash. NRC and EPA made a preliminary draft of the guidance document available to the public in May 1997 and are revising the document to reflect public comments.

The NRC received a number of comments in response to an Advance Notice of Proposed Rulemaking, published in the Federal Register in February 1994, soliciting information and suggestions in the area of sewer disposal of radioactive materials. The NRC staff is evaluating these responses, as well as information obtained from contracting efforts to evaluate the potential for radioactive material to concentrate in sewage sludge. The staff, in conjunction with the EPA, through the Sewage Sludge Subcommittee, is developing a more realistic model to

evaluate the sewer pathway. The staff will determine whether revision to Part 20 is needed after completion of the modeling work and completion of the joint NRC/EPA survey which is anticipated to occur during FY 2001.

This GAO recommendation remains open.

Recommendation No. 3

Establish acceptable limits for radioactivity in sludge, ash, and related by-products to ensure the health and safety of treatment workers and the public.

NRC Response

NRC agrees that it is important to have acceptable limits for radioactive materials in sludge, ash, and related by-products. We will continue to work with EPA and sewerage operators through the Sewage Sludge Subcommittee to develop a national approach to this issue and ensure adequate protection of the public health and safety. The current EPA standards for sewage sludge (40 CFR 503) do not include radionuclides.

The NRC solicited comments on policy issues associated with the release of radioactive materials to sanitary sewers (see 59 FR 9146). In addition, modeling efforts are underway to evaluate the possible pathways of migration of contaminants in sludge and ash. We also intend to address the possible uses of the slightly contaminated sludge and ash in commercial products such as fertilizers and the dose effects of these uses.

In any rulemaking activities associated with release of radioactive materials to sewers, the NRC will consider the various pathways whereby the public could receive a radiation dose, including doses due to exposure to radioactivity in sludge and ash. The NRC will consider rulemaking for the disposal of radioactive material by licensees into the sewer system after completing its analysis of the results of the NRC/EPA sewage survey, which is currently scheduled to be completed in 2001.

This GAO recommendation remains open.

GAO Report - Nuclear Employee Safety Concerns:
Allegation System Offers Better Protection,
But Important Issues Remain
March 1997
(GAO/HEHS-97-51)

The General Accounting Office (GAO), in its report "NUCLEAR EMPLOYEE SAFETY CONCERNS - Allegation System Offers Better Protection, but Important Issues Remain," made specific recommendations for improving the timeliness of the Department of Labor's allegations processing, the NRC's ability to monitor the allegation process, and the NRC's knowledge of the work environment at nuclear power plants. The recommendations and the NRC's responses are provided below.

Recommendation 1

To improve the timeliness of Labor's processing, we recommend that the Secretary of Labor establish and meet realistic timeliness standards for all three steps in its process for investigating discrimination complaints by employees in the nuclear power industry.

NRC Response:

NRC and DOL agreed upon draft legislation that would provide more realistic and more explicit timeliness standards for the DOL process for investigating and adjudicating complaints filed by nuclear whistleblowers. The agencies also agreed to cosponsor the legislation. After this agreement was reached, the NRC submitted the legislation to OMB for Executive Branch review, which is required before DOL can officially sponsor legislation. After OMB provided comments in the fall of 1999, DOL requested the opportunity to review the legislative package again before a final package for signature by both agencies was prepared. Therefore, the package was returned to DOL and further NRC action is pending DOL's final review.

This GAO recommendation remains open.

Recommendation 3

To improve NRC's knowledge of the work environment at nuclear power plants, we recommend that the Chairman, NRC, ensure the implementation of recommendations to provide information on the extent to which the environment in nuclear power plants is favorable for employees to report health or safety hazards without fear of discrimination. This would include recommendations on tracking and monitoring allegation cases and settlements, routinely providing feedback forms in allegation case close-out correspondence, systematically following up on chilling effect letters, and using a survey or other systematic method of obtaining information from employees.

NRC Response:

The GAO recommendations related to tracking and monitoring allegation cases and settlements, systematically following up on chilling effect letters, and using a survey or other

systematic method of obtaining information from employees are closed. The Allegations Management Systems was modified to accommodate tracking, monitoring, and trending of settlements that occur during the DOL process and chilling effect letters issued by the NRC. On September 1, 1998, the Commission decided to continue its current policy for (1) assessing the work environment at licensee's facilities on a case-by-case basis and (2) encouraging or ordering, on a case-by-case basis, a licensee to conduct a survey of its safety conscious work environment on its own or by a third party and to report the results to the NRC.

The GAO recommendation related to routinely providing feedback forms in allegation case close-out correspondence is the only recommendation that remains open. On April 14, 1999, the Commission approved proceeding with enclosing feedback forms in all allegation closure letters for a one-year trial period. At the conclusion of the trial period, the staff will make a recommendation to the Commission on the need to continue providing a feedback form to all allegers or to move to a periodic survey. The staff submitted the new feedback form to OMB for approval on November 3, 1999. When the form is approved, the staff will start including the forms in the allegation closure letters issued.

This GAO recommendation remains open.

GAO Report - Nuclear Regulation - Preventing Problem
Plants Requires More Effective NRC Action
May 1997
(GAO-RCED-97-145)

The General Accounting Office (GAO), in its report "Nuclear Regulation-- Preventing Problem Plants Requires More Effective NRC Action," recommended several actions for the U. S. Nuclear Regulatory Commission (NRC) in order to develop strategies to more aggressively act on safety deficiencies when they are discovered. These recommendations, and the NRC's responses to them, are provided below.

Recommendation 1

Require inspection reports to fully document for all plants the status of the licensee's actions to address identified problems under NRC's corrective action requirements, including timetables for the completion of corrective actions and how NRC will respond to nonconformances with planned actions.

NRC Response:

The NRC continues to develop and refine its reactor oversight process based on Commission guidance, stakeholder input, and the results of its integrated review of current inspection, enforcement, and assessment processes. Input was received from members of Congress, private industry, Nuclear Energy Institute, Union of Concerned Scientists, members of the public, and other stakeholders. As a result, NRC developed the revised reactor oversight process which was pilot tested at nine reactor plants.

The revised reactor oversight process is a risk-informed, performance-based approach to inspecting and assessing licensee performance. The process was established based on a regulatory oversight framework that is more objective, understandable, and predictable and focuses agency resources on areas that have the greatest impact on safe plant operation. This process utilizes a significance determination methodology to characterize the risk significance of inspection findings and uses an action matrix to help the staff more consistently determine the appropriate level of licensee and agency response. Issues that are determined to be safety significant, including those which are violations of regulatory requirements, receive NRC follow up in accordance with supplemental inspection procedures described in the action matrix. NRC and licensee actions, as well as results achieved, are documented by the NRC in an inspection report and/or in an assessment follow-up letter. Issues (including violations) that are found to be of very low risk/safety significance are documented in inspection reports and provided to licensees for inclusion in their corrective action programs. This is consistent with the enforcement policy approved by the Commission in January 1999.

The revised reactor oversight process maintains a focus on the effectiveness of a licensee's corrective action program in several ways. The process requires an ongoing review of a risk-informed sample of NRC and licensee identified issues to ensure the licensee has taken appropriate corrective actions. This review is in addition to the annual review of the effectiveness of each licensee's problem identification and resolution process performed as part of the baseline inspection program. Additionally, various aspects of the licensees corrective action program are considered when prioritizing NRC supplemental inspections.

Development of the revised reactor oversight process has been the subject of four Commission briefings, has been pilot tested at nine reactor sites since June 1999, and is scheduled for initial implementation at all power reactors beginning in April 2000 (pending Commission approval).

As discussed in a previous update regarding managing commitments made to the NRC, the staff interacted with NEI and utilities during the development of NEI 99-04, "Guideline for Managing NRC Commitments," that was submitted by a letter from NEI dated August 2, 1999. The NEI guidance document is an update of the guidance that the staff previously found to be an acceptable way to manage commitments made by power reactor licensees to the NRC staff (see SECY 95-300, "Nuclear Energy Institute's Guidance Document, 'Guideline for Managing NRC Commitments,'" dated December 20, 1995). The staff is currently reviewing the guidance document and preparing a paper to inform the Commission of staff's review of the revised industry guidance document. In addition, the staff will issue a Regulatory Information Summary to ensure that all power reactor licensees and other stakeholders are aware of the staff's findings and to encourage use of the NEI guidance document. The staff is continuing its preparation of guidance for its own use in managing licensing basis information and regulatory commitments from licensees (current schedule for completing the internal guidance documents is March 2000).

This GAO recommendation remains open pending issuance of internal documentation.

Recommendation 2

Make licensee responsiveness to identified problems a major feature of the information provided to the participants of the Senior Management Meetings (SMM), including how NRC will respond if problems go uncorrected. For example, NRC should describe the range of sanctions that it will impose on the licensees on the basis of the potential seriousness of their failure to resolve problems within a predetermined time. These sanctions should range from assessing fines to involuntary shutdown of the plant.

NRC Response:

The NRC agrees that the licensee's ability to resolve safety problems is a critical performance criterion and has established the oversight of licensee's effectiveness in identifying and resolving safety problems as an important element of both the current and the new NRC inspection and enforcement programs. The revised reactor oversight process (NRC's effort to improve its inspection, assessment, and enforcement programs) replaces the senior management meeting with a process that continuously considers information from the inspection program and performance indicators in order to enable the agency to arrive at objective conclusions about the licensee's safety performance. Licensee performance results are compared to established thresholds to determine appropriate and consistent NRC responsive actions. Where issues or performance exceed thresholds, NRC applies graded actions based on an established action matrix. This includes increasing the NRC's regulatory response for significant performance problems that exist for extended periods of time. NRC actions range from supplemental inspections, demands for information, confirmation of specific corrective actions, or orders, up to and including a plant shutdown. Performance issues can lead to a licensee's performance being evaluated as unacceptable (continued plant operation is not permitted), such as if the NRC loses confidence in the licensee's ability to maintain and operate the facility in accordance with the design basis.

The revised reactor oversight process includes an assessment program to evaluate licensee performance. The assessment information and agency response are periodically communicated to the public. NRC follow-up actions are conducted to ensure that the corrective actions designed to address significant performance weaknesses were effective. Continued declining performance or ineffective action to address past problems will result in more extensive agency action as necessary to ensure problems are resolved.

Development of the revised reactor oversight process has been the subject of four Commission briefings, has been pilot tested at nine reactor sites since June 1999, and is scheduled for implementation at all power reactors beginning in April 2000 (pending Commission approval).

We consider this GAO recommendation closed.

GAO Report - Better Oversight Needed to Ensure Accumulation
of Funds to Decommission Nuclear Plants

May 3, 1999
(GAO/RCED-99-75)

Recommendation

To provide for logical, coherent, and predictable oversight of licensees' financial assurances for decommissioning their nuclear power plants, GAO recommends that the Chairman, NRC, provide licensees and the public with information on the (1) objectives of, scope of, and methods used in NRC reviews of licensees' financial reports; (2) thresholds for identifying, on the basis of these reviews, acceptable, questionable, and unacceptable indications of financial assurances; and (3) criteria for actions to be taken on the result of these reviews.

NRC Response of June 15, 1999 and Current Update:

The NRC disagrees. The contents of the decommissioning fund status reports are stated explicitly in the NRC's regulations. Further, the regulations covering both the amount of decommissioning funds and the allowable assurance mechanisms for decommissioning clearly establish the NRC's requirements. In addition, the NRC developed regulatory guidance that, among other issues, addressed how the NRC would review these reports. (This guidance was issued in March 1999 as NUREG-1577).

As provided in the NRC's regulations, the NRC will review biannual reports to determine whether licensees are accumulating sufficient funds to meet the correct decommissioning cost estimate amount, as specified in 10 CFR 50.75(c). If a licensee has either continued rate regulatory oversight or access to a non-bypassable wires charge imposed as a result of State restructuring initiatives, the NRC's regulations allow such licensees to collect decommissioning funds over the estimated 40-year operating life of the plant. (If the NRC approves license extension for a plant, the licensee of that plant would be allowed to accumulate funds over the extension period as well.) The NRC explicitly defers to Public Utility Commissions and the Federal Energy Regulatory Commission to establish the amortization schedules to collect any remaining unfunded decommissioning amounts for licensees that continue to be subject to their oversight, either directly or through non-bypassable charge mechanisms. The NRC recognized that, for these licensees, specifying amortization rates would require ratemaking authority which the NRC does not have. Given that ratemakers have the ability to require these licensees to increase amortizations when shortfalls occur, the NRC disagrees with the GAO that it should insist on increased amortizations for these licensees. For licensees no longer subject to ratemaking authority, the NRC requires that the full estimated cost of decommissioning must be assured by one of the mechanisms allowed by the NRC. Thus, for these licensees, specifying an amortization rate would be meaningless, since the decommissioning amount based on 10 CFR 50.75(c) is required to be fully assured.

It is important to point out that licensees remain responsible and liable for decommissioning costs until the NRC terminates the license. The NRC considered, but specifically declined to require initial full funds or guarantees because it was unreasonable to do so and, for the majority of licensees, would impose an unjustified burden.

The NRC has completed its review of the decommissioning fund status reports that were submitted through March 31, 1999. Based on its review of these reports, the NRC has concluded that all licensees are on track to provide necessary funds for decommissioning commensurate with the NRC's regulations and are thus in compliance with the NRC's decommissioning funding assurance regulations. Although the NRC has noted a few ambiguities in the reports from a small minority of licensees, and is acting to have these licensees clarify these ambiguities, the NRC has found no instances of unacceptable levels of assurance. The NRC notes that, if it does find problems with licensee compliance or with the adequacy of rate regulatory oversight, it will take further action, as necessary. Finally, the Commission specifically directed the staff to provide it with any additional recommendations for rulemaking based on the results of its review of the status reports. These recommendations were provided to the Commission on December 30, 1999.

All of the plants that have shut down prematurely have been allowed to accumulate sufficient funds to complete decommissioning. Mechanisms in place or being developed by rate regulators will allow prematurely shutdown plants to recover uncollected decommissioning costs from ratepayers. The GAO report does not include support for its view that States will alter this approach to plants which prematurely shut down. Thus, the NRC disagrees that premature decommissioning will likely be a problem affecting financial assurance in the future.

In sum, the NRC has required decommissioning fund status reports in order to determine licensee compliance with its regulations. Both the NRC's regulations and its guidance explicitly define what is required for different types of licensees in providing decommissioning funding assurance. Either licensees will be in compliance with these requirements, in which case the NRC needs to do nothing further, or licensees will not be in compliance, in which case the NRC will take appropriate action to ensure compliance. In either case, explicit criteria for compliance are already contained in the NRC's regulations.

We consider this GAO item closed.

GAO Report - Nuclear Regulation - Strategy Needed to
Regulate Safety Using Information on Risk
March 1999
(GAO-RCED-99-95)

GAO Recommendation

In its report GAO made the following recommendation:

To help ensure the safe operation of plants and the continued protection of public health and safety in a competitive environment, we recommend that the Commissioners of NRC direct the staff to develop a comprehensive strategy that includes but is not limited to objectives, goals, activities, and time frames for the transition to risk-informed regulation; specifies how the Commission expects to define the scope and implementation of risk-informed regulation; and identifies the manner in which it expects to continue the free exchange of operational information necessary to improve the quality and reliability of risk assessments.

The GAO recommendation has three parts, each of which is addressed below.

GAO ... We recommend that the Commissioners of NRC direct the staff to develop a comprehensive strategy that includes but is not limited to objectives, goals, activities, and time frames for the transition to risk-informed regulation ...

NRC We agree on the need for a comprehensive strategy and believe that we have already made considerable progress towards satisfying this need. Former Chairman Jackson's March 5, 1999, letter to Ms. Gary Jones of the GAO (included as Appendix I to the GAO report) discusses a number of the initiatives completed or now under way within the NRC to address the GAO recommendation. At a strategic level, we have developed strategic plans, policy statements, and a new planning, budgeting, and performance management process to help direct agency resources to the most important safety issues. These plans have led to risk-informed regulatory guidance in a number of areas now being used by reactor licensees and our staff and to a new, risk-informed, reactor oversight process that was pilot tested in 1999 and is scheduled for initial implementation in 2000 pending Commission approval. These plans have also led to developing approaches for making reactor regulations more risk-informed, as well as a conceptual framework for making our regulation of materials licensees more risk-informed.

The mechanism used to catalog and track the progress of the activities in our risk-informed program has traditionally been the Probabilistic Risk Assessment Implementation Plan (PRA IP). The staff's August 1998 response to former Chairman Jackson's tasking memorandum supplemented the PRA IP in the recent past. However, these documents are formatted in different ways and do not necessarily provide a clear link between strategic goals and specific tasks and schedules. They also focus on what is currently under way or planned, and not necessarily on a broader long-term vision for risk-informing agency activities. Accordingly, we have reexamined the mechanism for describing agency plans and the implementation of these plans with respect to specific risk-informed activities. On January 13, 2000, the staff provided an outline of the

strategy for risk-informed regulation that specifies the scope and approach for implementation. The strategy document, the Risk-Informed Regulation Implementation Plan, will describe the activities that we want to be risk-informed, the actions needed to make them risk-informed, and the schedule and resources needed to accomplish the activities. It will replace the current PRA IP as the periodically updated document that describes plans and progress in the area of risk-informed regulation.

GAO ... We recommend that the Commissioners of NRC direct the staff to develop a comprehensive strategy that ... specifies how the Commission expects to define the scope and implementation of risk-informed regulation ...

NRC We agree with the GAO recommendation. Implementation of this recommendation will be accomplished by way of the Risk-Informed Regulation Implementation Plan described above.

GAO ... We recommend that the Commissioners of NRC direct the staff to develop a comprehensive strategy that ... identifies the manner in which it expects to continue the free exchange of operational information necessary to improve the quality and reliability of risk assessments.

NRC We agree with the GAO recommendation. The free exchange of operational information noted in the recommendation is an important factor in our activities to improve the quality and reliability of risk assessments. As noted in former Chairman Jackson's letter of March 5, 1999, we are active in improving the technical validity of PRA methods, including developing standards and improved methods and tools and assessing operational events. The need to better specify how operational information will be freely exchanged will be included as an activity in our comprehensive Risk-Informed Regulation Implementation Plan.

This GAO recommendation remains open.