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MEMORANDUM TO: LIB Staff

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SUBJECT: FINAL FUEL CYCLE LICENSING PROJECT MANAGER'S  
HANDBOOK; REVISION 1

The Licensing and International Safeguards Branch (LIB) Project Manager's (PM) Handbook has been revised in its entirety. It should prove very useful as a stand-alone reference document for both new and seasoned Fuel Cycle Licensing Project Managers.

The PM Handbook has been revised based on the astute comments of staff. These comments have been greatly appreciated in ensuring the accuracy and usefulness of the document. If you have any questions or suggestions for the next update, please contact Pam Shea, Licensing Assistant.

Attachment:  
Fuel Cycle Licensing Project Manager's  
Handbook, Revision 1

cc w/attachment:  
LTenEyck  
MWeber  
RPierson  
TSherr  
PTing

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# **Fuel Cycle Licensing**

## **Project Manager's Handbook**



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**Office of Nuclear Material Safety and Safeguards**

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## 1.0 Introduction

The Project Manager (PM) is the lead U. S. Nuclear Regulatory Commission (NRC) staff representative in conducting Agency business with applicants, licensees, contractors, other government agencies, industry, and the public. The Fuel Cycle Licensing Project Manager's Handbook (PM Handbook) is intended to assist PMs for Part 40 and Part 70 licensees by providing a comprehensive reference for understanding and implementing functions and responsibilities. As such, it describes current practices, policies, procedures, and references as guidance for PMs in the Fuel Cycle Regulatory Program. It is particularly helpful to staff members who are learning to become PMs for fuel cycle facilities. The PM Handbook is also a helpful guide for experienced Fuel Cycle PMs, particularly when they are called on to perform a task that they may not perform on a routine basis (e.g., responding to an enforcement petition under 10 Code of Federal Regulations (CFR) 2.206, preparing for a licensing hearing).

This PM Handbook is patterned after the Operating Reactor Project Manager's Handbook, NUREG/BR-0073, Revision 1. The PM Handbook complements the LIB Materials Licensing Procedures Manual, which contains many of the more detailed procedures that can be found in portions of the Operating Reactor Project Manager's Handbook. Consequently, this PM Handbook is more brief and concise than its counterpart for operating reactors.

Certain topics addressed herein are discussed in other Agency policy and reference documents. These references are noted throughout the PM Handbook to allow Fuel Cycle PMs, to locate the original source material. Inclusion of these discussion topics in the PM Handbook allows it to be a self-contained guidance document for easy reference.

The PM Handbook is maintained by the Licensing Assistant in the Licensing and International Safeguards Branch (LIB). It will be updated as directives and guidance for the PMs change and roles and responsibilities evolve. Maintaining the PM Handbook current will provide the Fuel Cycle PMs with a ready reference that can be consulted to determine NRC expectations for various Fuel Cycle PM-related tasks. Any comments or suggestions should be referred to the LIB Licensing Assistant for compilation and consideration for inclusion in a future edition of the PM Handbook.

## 2.0 Background

This section provides a brief overview of the mission, goals, legal authorities, organization, and operational principles of the NRC. It provides the NRC staff with a frame of reference for understanding the overall expectations, functions, and role of the PM, as well as expectations for all NRC staff and management.

## 2.1 Mission

The mission of the NRC is to ensure adequate protection of public health and safety, the common defense and security, and the environment in the civilian use of nuclear materials in the United States. Among the many facilities and practices that are regulated by NRC, fuel cycle facilities provide opportunities for NRC staff to engage in all three fundamental aspects of NRC's mission:

- Protecting the public health and safety, including workers,
- Protecting the common defense and security by safeguarding nuclear material and information, and protecting against radiological sabotage, and
- Protecting the environment.

## 2.2 Goals

The Commission has adopted the *Strategic Plan for Fiscal Year 1997 - Fiscal Year 2002*, which describes general goals to carry out NRC's mission and performance goals for measuring results toward meeting these general goals. In addition to guiding NRC's budget formulation and execution, the *Strategic Plan* also provides results-oriented guidance for day-to-day management and decision-making. Consequently, it is important for Fuel Cycle PMs to be familiar with the goals described in the *Strategic Plan* as the foundation for their varied regulatory activities.

The *Strategic Plan* establishes broad goals for the NRC to conduct an efficient regulatory program that strives to achieve the following:

- Prevent radiation-related deaths or illnesses due to civilian nuclear reactors,
- Prevent radiation-related deaths or illnesses due to civilian use of source, byproduct, and special nuclear materials,
- Ensure treatment, storage, and disposal of wastes produced by civilian use of nuclear material in ways that do not adversely affect this or future generations,
- Prevent the loss or theft of special nuclear material regulated by NRC, and support U.S. national interests in the safe use of nuclear materials and in non-proliferation,
- Protect the environment in connection with the civilian use of source, byproduct, and special nuclear materials through the implementation of the Atomic Energy Act and the National Environmental Policy Act,

- The public, those we regulate, and other stakeholders in the national and international community, will have clear and accurate information about, a meaningful role in, and respect for and confidence in NRC's regulatory program, and
- The NRC regulatory program will be efficient and will allow the Nation to safely use nuclear materials for civilian purposes.

The *Strategic Plan* also establishes goals in the strategic arenas that encompass the fuel cycle program area, including:

- Zero radiation-related deaths due to civilian use of source, byproduct, and special nuclear materials (Goal II.A)
  - No increase in the number of significant radiation exposures due to loss or use of source, byproduct, and special nuclear materials (Goal II.A.1)
  - No increase in the number of losses of licensed material as reported to Congress annually (Goal II.A.1.a)
  - No accidental criticality involving licensed material (Goal II.A.1.b)
- No significant accidental releases of radioactive material from storage or transportation of high-level waste (including spent fuel) or low-level waste (Goal III.A)
- No offsite release of radioactivity beyond regulatory limits from low-level waste disposal sites (Goal III.C)
- Zero loss or theft of special nuclear material regulated by the NRC (Goal IV.A)
  - No substantiated case of attempted theft or diversion of formula quantities of strategic special nuclear material (Goal IV.A.1)
  - No substantiated breakdown of physical security or material control (i.e., access control, containment, or accountability systems) that significantly weakened the protection against theft or diversion of formula quantities of strategic special nuclear material (Goal IV.A.2)
- Zero offsite releases from operating facilities of radioactive material that have the potential to cause adverse impact on the environment (Goal V.A)
  - No increase in the number of offsite releases from operating facilities of radioactive material that exceed 10 CFR Part 20 limits (Goal V.A.1)

- Environmental impacts have been identified through the NEPA process before regulatory action is taken (Goal V.B)
- No sites will be released until satisfactorily remediated in accordance with NRC release criteria (Goal V.C)
- Implement the Agency's plan to improve how it informs and involves the public, those we regulate, and other stakeholders in NRC's regulatory program (Goal VI.A)
- Create and sustain a competent, motivated, ethical, and culturally diverse work force (Goal VIII.A.1)

Specific strategies and operating plan commitments to achieve these goals are described in the *NRC Planning Framework Applied to Fuel Cycle Licensing*, September 1997.

## 2.3 Legal Authorities

The NRC was created as an independent Federal Agency by the Energy Reorganization Act of 1974, which abolished the U. S. Atomic Energy Commission (AEC) and consolidated AEC's regulatory function into the NRC. This act, along with the Atomic Energy Act of 1954, as amended, provides the foundation for regulation of the nation's nuclear fuel cycle facilities. The foundation established in these two Federal laws provides the fundamental policy of the United States for the peaceful uses of nuclear materials. Other important statutory authorities that govern the regulation and operation of the fuel cycle facilities include:

- National Environmental Policy Act of 1969, as amended
- Nuclear Non-Proliferation Act of 1978,
- Low-Level Radioactive Policy Amendments Act of 1985, and
- Energy Policy Act of 1992.

Based on these and other applicable statutes, NRC has issued regulations in Title 10, Chapter I of the United States CFR. Copies of Title 10 CFR, Chapter I, are distributed annually to PMs and are also available in the NRC Law Library in One White Flint North or the NRC Library in Two White Flint North.

## 2.4 NRC Organization

NUREG-0325, "U.S. Nuclear Regulatory Commission Functional Organizational Charts," describes NRC's organization in detail. The NUREG is revised frequently to reflect reorganizations that occur as NRC seeks more effective ways to fulfill its mission. Policy and program responsibility for the fuel cycle facilities is assigned to the Director of the Division of Fuel Cycle Safety and Safeguards (FCSS) in the Office of Nuclear Material Safety and Safeguards (NMSS). Project Management responsibility is assigned to individual staff members within LIB, FCSS. The general framework for fuel cycle regulation is depicted in Figure 1 (See below).

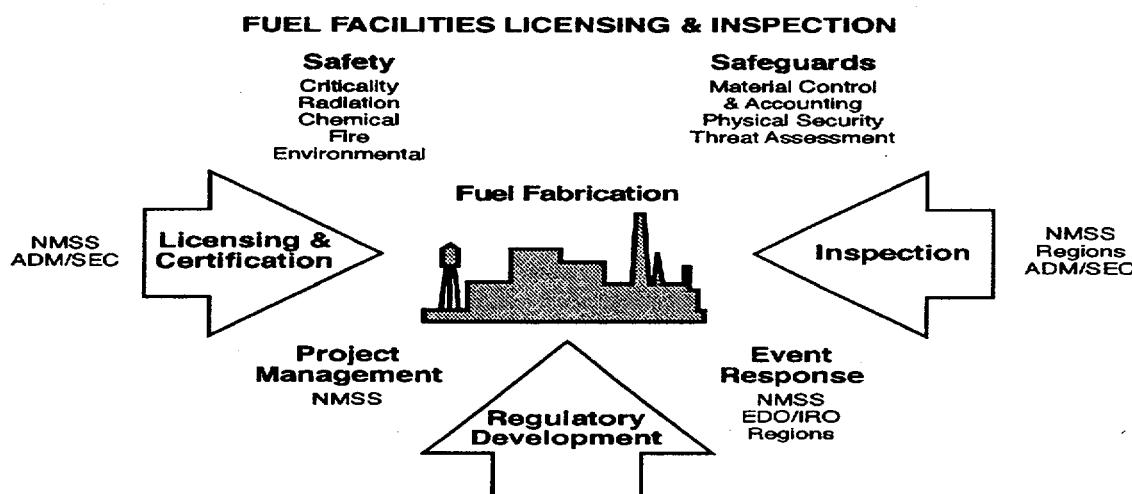


Figure 1. Fuel Cycle Regulatory Framework

PMs frequently interact with other staff members and managers within FCSS, Spent Fuel Project Office (SFPO), as well as the Divisions of Waste Management and Industrial and Medical Nuclear Safety (IMNS), and the Divisions of Nuclear Material Safety in the NRC Regions, Division of Security in the Office of Administration, Office of Nuclear Reactor Regulation (NRR), and the Office of the General Counsel (OGC).

## 2.5 NRC Principles of Good Regulation

The NRC adheres to the following five Principles of Good Regulation:

(1) independence, (2) openness, (3) efficiency, (4) clarity, and (5) reliability. PMs should use these five principles as guideposts in performing their daily activities. Any departures from these principles should be promptly identified and carefully considered in consultation with Agency management.

## **Independence**

Nothing but the highest possible standards of ethical performance and professionalism should influence regulation. However, independence does not imply isolation. All available facts and opinions must be sought openly from licensees and other interested members of the public. The many, and possibly conflicting, public interests involved must be considered. Final decisions must be based on objective, unbiased assessments of all information and must be documented with reasons explicitly stated.

## **Openness**

Nuclear regulation is the public's business, and it must be transacted publicly and candidly. The public must be informed about and have the opportunity to participate in the regulatory processes as required by law. Open channels of communication must be maintained with Congress, other government agencies, licensees, and the public, as well as with the international nuclear community.

## **Efficiency**

The American taxpayer, the rate-paying consumer, and licensees are all entitled to the best possible management and administration of regulatory activities. The highest technical and managerial competence is required and must be a constant Agency goal. NRC must establish means to evaluate and continually upgrade its regulatory capabilities. Regulatory activities should be consistent with the degree of risk reduction they achieve. Where several effective alternatives are available, the options which minimize the use of resources should be adopted. Regulatory decisions should be made without undue delay.

## **Clarity**

Regulations should be coherent, logical, and practical. There should be a clear nexus between regulations and Agency goals and objectives, whether explicitly or implicitly stated. Agency positions should be readily understood and easily applied.

## **Reliability**

Regulations should be based on the best available knowledge from research and operational experience. Systems interactions, technological uncertainties, and the diversity of licensees and regulatory activities must all be taken into account so that risks are maintained at an acceptably low level. Once established, regulation should be perceived to be reliable and not unjustifiably in a state of transition. Regulatory actions should always be fully consistent with

written regulations and should be promptly, fairly, and decisively administered so as to lend stability to the nuclear operational and planning processes.

To complement the Principles of Good Regulation, NRC has also identified organizational values that should be exhibited in the conduct and products of the Fuel Cycle PM. These values include:

- **Integrity** in our working relationships, practices, and decisions,
- **Excellence** in both our individual and collective actions,
- **Service** to the public and others who are affected by our work,
- **Respect** for individuals' roles, diversity, and viewpoints,
- **Cooperation** in the planning, management, and work of the Agency,
- **Commitment** to protecting public health and safety, and
- **Openness** in communications and decision-making.

## 2.6 Safety and Compliance

As commonly understood, safety means freedom from exposure to danger, or protection from harm. In a practical sense, an activity is deemed to be safe if the perceived risks are judged to be acceptable. The Atomic Energy Act of 1954, as amended, establishes "adequate protection" as the standard of safety on which NRC regulation is based. In the context of NRC regulation, safety means avoiding undue risk or, stated another way, providing reasonable assurance of adequate protection for the public, including workers, in connection with the use of source, byproduct, and special nuclear materials. In this context, "security" can be used almost synonymously with "safety" in reference to NRC's mission to ensure protection of the common defense and security.

The definition of compliance is much simpler. Compliance means meeting applicable regulatory requirements.

There is a distinct nexus between safety and compliance, as described in the following points:

1. Safety is the fundamental regulatory objective, and compliance with NRC requirements plays a fundamental role in giving the NRC confidence that safety is being maintained. NRC requirements, including license conditions, orders, and regulations, have been designed to ensure adequate protection—which corresponds to "no undue risk to public health and safety"—through acceptable

design, construction, operation, maintenance, modification, quality assurance measures, and decommissioning. In the context of risk-informed regulation, compliance plays a very important role in ensuring the key assumptions used in the underlying risk and engineering analyses remain valid.

2. Adequate protection is preemptively assured by compliance with NRC requirements. Circumstances may arise, however, where new information reveals, for example, that an unforeseen hazard exists or that there is a substantially greater potential for a known hazard to occur. In such situations, NRC has the statutory authority to require licensee action above and beyond existing regulations to maintain the level of protection necessary to avoid undue risk to public health and safety.
3. The NRC has the authority to exercise discretion to permit continued operations –despite the existence of a noncompliance–where the noncompliance is not significant from a risk perspective and does not, in the particular circumstances, pose an undue risk to public health and safety. When noncompliances occur, the NRC must evaluate the degree of risk posed by that noncompliance to determine if specific immediate action is required. Where needed to ensure adequate protection of public health and safety, the NRC may demand immediate licensee action, up to and including a shutdown or cessation of licensed activities. In addition, in determining the appropriate action to be taken, the NRC must evaluate the noncompliance both in terms of its direct safety and regulatory significance and by assessing whether it is part of a pattern of noncompliance (i.e., the degree of pervasiveness) that can lead to the determination that licensee control processes are no longer adequate to ensure protection of the public health and safety. Based on NRC's evaluation, the appropriate action could include refraining from taking any action, taking specific enforcement action, issuing orders, or providing input to other regulatory actions or assessments, such as increased oversight (e.g., increased inspections).
4. Where requirements exist that the NRC concludes have no safety benefit, the NRC can and should take action, as appropriate, to modify or remove such requirements from the regulations or licenses. Requirements that are duplicative, unnecessary, or unnecessarily burdensome can actually have a negative safety impact. They also can tend to create an inappropriate NRC and licensee focus on “safety versus compliance” debates. As the Commission states in its Principles of Good Regulation, “There should be a clear nexus between regulations and Agency goals and objectives, whether explicitly or implicitly stated.”
5. Because some requirements are more important to safety than others, the Commission should use a risk-informed approach wherever possible when adding, removing, or modifying NRC regulations, as well as when applying NRC resources to the oversight of licensed activities (e.g., enforcement). Based on

the accumulation of operating experience and the increasing sophistication of risk analysis, the NRC should continue to refine its regulatory approach in a manner that enhances and reaffirms its fundamental safety objective.

These principles attempt to describe the nexus between compliance and safety (or security). The misperception that compliance and safety are somehow incompatible or unrelated arises when the principles outlined above are not understood or are wrongly applied. When understood and applied correctly, the result should be a consistent, credible regulatory approach--as applied to licensing, inspection, enforcement, performance assessment processes, and rulemaking.

REF: Memorandum from John Hoyle to L. Joseph Callan, "Staff Requirements - COMSAJ-97-008-Discussion on Safety and Compliance," August 25, 1997.

## 2.7 Risk-Informed, Performance-Based Regulation

NRC has adopted a risk-informed, performance-based regulatory approach, which applies to the full range of NRC rulemaking, licensing, inspection, assessment, enforcement, and other regulatory actions. Although the Agency continues to refine the description of this approach and definition of the terms "risk-informed, performance-based," NRC is applying this concept in parallel to its regulatory programs, including the fuel cycle program. A risk-informed, performance-based approach to developing regulation and implementing regulation of specific facilities is an approach in which risk insights, engineering analysis and judgment, and performance history are used, when feasible, to (1) develop measurable and/or calculable parameters for monitoring systems and licensee performance, (2) establish objective criteria for evaluating performance, and (3) focus on the results as the primary basis for regulatory decision-making.

NRC staff should ensure that NRC and licensee attention to design and operational issues is commensurate with their importance to public health and safety and security. In comparison with the traditional NRC regulatory approach, a risk-informed approach allows explicit consideration of a broader set of potential challenges to safety, provides a logical means for prioritizing these challenges based on risk significance, operating experience, and engineering judgment, and facilitates consideration of a broader set of resources to defend against these challenges. The risk-informed approach can be used to focus regulatory attention on those areas most important to health and safety and security by considering risk in a more coherent and consistent manner. It can also be used, where appropriate, to reduce unnecessary conservatism in deterministic approaches or identify areas with insufficient conservatism and provide the basis for additional requirements or regulatory actions.

A performance-based approach emphasizes results rather than the process or method used by a licensee. However, it should be noted that such an approach does not supplant the need for compliance with NRC requirements, nor does it displace the need

for enforcement action, as appropriate, when non-compliance occurs. In cases where a licensee is unsuccessful in meeting specific performance criteria, it may be appropriate for NRC to focus on the licensee's method or process to understand the root cause of the performance problems, as well as how future problems can be avoided. NRC staff should incorporate this approach into licensing reviews, assistance to inspection staff, processing enforcement actions, and other assigned functions.

### 3.0 Role and Responsibilities of a Fuel Cycle Project Manager

The Fuel Cycle PM position is a critical position in the NRC. On a day-to-day basis, Fuel Cycle PMs carry out the mission of NRC and represent NRC to applicants, licensees, contractors, other government agencies, industry, and the public. Thus, Fuel Cycle PMs are expected to fulfill the highest levels of integrity and performance. Additionally, PMs are expected to treat the safety and security of fuel cycle facilities as their first priority. Fuel Cycle staff may be assigned as Fuel Cycle PMs and/or Fuel Cycle Backup PMs. Backup Fuel Cycle PMs are expected to be able to be promptly cognizant of the regulatory and operational status of designated facilities when needed (e.g., absence of Fuel Cycle PM). PMs serve as the:

- NRC liaison with applicant or licensee on licensing issues for designated facilities,
- NRC focal point for licensing information and communication for designated facilities,
- NRC manager and administrator of licensing projects for designated facilities,
- NRC reviewer of licensing correspondence and evaluations for designated facilities,
- NRC maintainer of licensing documents and information for designated facilities,
- NRC lead for licensing special projects and assignments for designated facilities, and
- NRC lead for the coordination, preparation, and participation in licensing meetings, hearings, and briefings for designated facilities.

The principal functions and vital roles of the Fuel Cycle PMs are depicted in Table 3.0. Table 3.0 expands upon those functions listed above in a more comprehensive manner and includes expectations of how to carry them out. They have been derived from the key expectations originally developed and transmitted in a memorandum from the NRC Executive Director for Operations to NRC technical staff in "NRC Technical Staff Performance Expectations," September 17, 1991. More detailed expectations with respect to the areas of communications, meetings, information management, knowledge of NRC and assigned facilities, technical reviews, problem resolution, and duration of assignments are discussed below.

### **TABLE 3.0 PRINCIPAL FUNCTIONS AND VITAL ROLE OF FUEL CYCLE PROJECT MANAGER**

Fuel Cycle PMs maintain the focus of licensing project activities on safety and security for designated facilities.
Fuel Cycle PMs plan, manage, track, coordinate, and conduct reviews in support of licensing and related actions for designated facilities which includes the preparation of documents in a timely and high quality manner within resource constraints.
Fuel Cycle PMs are alert for safety and security issues, which include those outside of their particular area of expertise. Once found, Fuel Cycle PMs are responsible for informing appropriate staff reviewers and management regarding further evaluation or action. Compliance issues are referred to the Fuel Cycle Operations Branch (FCOB), Regions, and Office of Enforcement (OE).
Fuel Cycle PMs communicate with other NRC offices to ensure a consistent approach when dealing with applicants or licensees or bring inconsistencies to management's attention.
Fuel Cycle PMs encourage consensus and teamwork among staff reviewers and other NRC staff.
Fuel Cycle PMs promptly involve NRC management when fundamental differences arise between NRC staff that cannot be resolved by the Fuel Cycle PM.
Fuel Cycle PMs continue an open and continuing dialogue with inspection staff, Headquarters and Regional, who have responsibilities related to their designated facilities.
Fuel Cycle PMs respond to applicant or licensee inquiries and licensing actions in a timely manner that effectively and efficiently use staff resources and minimize unjustified adverse impacts on licensee resources. Fuel Cycle PMs communicate with applicant or licensees in an open, frequent, and forthright manner. Communications about the applicant or licensee and their personnel are contained within the regulatory framework consistent with Agency procedures.
Fuel Cycle PMs respond to public inquiries in a timely and responsible manner. All inquiries are treated with respect and given a professional response. Fuel Cycle PMs demonstrate Agency independence and objectivity in all dealings with applicants, licensees, contractors, other government agencies, industry, and the general public.

Fuel Cycle PMs encourage and recognize licensee initiatives that improve safety or security performance. Alternate methods proposed by licensees are carefully considered with the final decisions based on objective assessment of available information.

Fuel Cycle PMs strive to attain certification as license reviewers in their areas of technical expertise. Fuel Cycle PMs stay abreast of technological and regulatory developments in support of designated facilities.

Fuel Cycle PMs strive to provide accurate input, after coordinating with staff reviewers, on the status of licensing actions affecting their designated facilities in the casework review process. Schedule details and specific expectations are described in Chapter 2 of the LIB Materials Licensing Procedures Manual.

Fuel Cycle PMs review and sign the quarterly bills to licensees for their designated facilities in a conscientious and timely manner.

Fuel Cycle PMs handle sensitive (i.e., proprietary and classified) information appropriately, which includes making appropriate determinations regarding withholding from public disclosure and communicating such determinations promptly to the applicant or licensee.

### 3.1 Communications

The Fuel Cycle PM is expected to have frequent communications with regional counterparts regarding regional and headquarters licensing activities associated with designated facilities. The Fuel Cycle PM should attend significant regional and headquarters meetings for designated facilities and ensure that cognizant NRC staff and management are informed of the meetings and their output. The Fuel Cycle PM should also inform appropriate regional personnel of headquarters meetings with the licensee either at NRC offices or remote locations (e.g., licensee site).

The Fuel Cycle PM should be aware of significant regional and headquarters licensing activities related to designated facilities. Just as the Fuel Cycle PM establishes and maintains effective working relationships with staff reviewers and management, equally close relationships must be established with the managers and staff who implement inspection activities assigned to the NRC headquarters and regional offices. The Fuel Cycle PM should visit their designated facilities at least every year, if they are fuel fabrication facilities, and at least once every three years, if they are greater than critical mass licensees or source material processing facilities. These visits should be scheduled in conjunction with other regulatory activities, such as licensing site visits or licensee performance review meetings. The establishment of direct and effective lines of communication between the Fuel Cycle PM, inspection staff and management, and licensee staff and management is vital to ensure that the Fuel Cycle PM is informed about significant inspection and operational activities at designated facilities.

### **3.2 Meeting/Trip Reports**

The Fuel Cycle PM is expected to participate in, the following meetings that involve as designated facilities:

- Licensee Performance Reviews at the Branch, Division, and Office levels;
- Public meetings conducted by NRC;
- Pre-decisional Enforcement Conferences;
- Enforcement Panel meetings;
- Allegation Review Boards (ARB) (i.e., if headquarters has the lead);
- Review meetings on 2.206 Petitions;
- Briefings for NRC senior managers on the facility;
- Event review meetings (i.e., following notification of NRC Operations Center); and
- Licensing meetings.

Attendance at other meetings that pertain to designated facilities may also be necessary and appropriate, depending upon the subjects to be discussed and the regulatory action that may be necessary to implement the outcome of the meetings.

If the Fuel Cycle PM is responsible for arranging a meeting regarding a designated facility:

- The Fuel Cycle PM needs to determine if the meeting will be open for public observation in accordance with NRC Management Directive 3.5. The primary criterion for determining whether the meeting will be open is the subject matter of the meeting. If the meeting deals with substantive licensing or regulatory issues, the meeting should be open, unless the discussion will involve classified or sensitive/unclassified information (e.g., safeguards information, proprietary information). Portions of the meeting that do not involve such information should be open for public observation.
- The Fuel Cycle PM is responsible for arranging the meeting location, time, and date, as well as obtaining the commitments from necessary NRC staff and management to participate in the meeting. The Fuel Cycle PMs also develop the agenda and review the agenda in advance with representatives of the parties that will participate in the meeting (e.g., NRC staff and management, licensee). The Fuel Cycle PM is also responsible for discussing, the agenda,

with NRC staff and management to ensure consistency of NRC's position with current staff policies and positions. The Fuel Cycle PMs should attempt to minimize the number of NRC staff attending the meeting, while ensuring that appropriate staff will participate in the meeting to address the issues covered on the agenda. In addition, Fuel Cycle PMs are responsible for delivering the meeting notice to the Public Meeting Notification System at least 10 days, to the extent possible, before the meeting date. Fuel Cycle PMs should also strive to ensure that inspection staff and other cognizant groups within NRC (e.g., SFPO, NRR, OE, OGC) are aware of the meeting and invited to participate, as necessary. In arranging meetings, the Fuel Cycle PM should be especially sensitive to the need for a public meeting on topics that exhibit strong public interest and active involvement by elected officials, community groups, State representatives, other governmental agencies, or members of the press.

- At the beginning of an open meeting, the Fuel Cycle PM should state that the meeting is open for public observation and request either: (1) observers to withhold comments and questions until the end of the meeting or (2) observers to ask questions during the meeting. The Fuel Cycle PM should ensure that NRC representatives remain after the meeting to answer any questions from members of the public. The Fuel Cycle PMs should conduct the meeting in an open and forthright manner, foster a productive exchange of information, stick to the agenda, avoid providing staff positions or conclusions based on verbal discussions (i.e., unless adequately coordinated in advance of the meeting with staff and management), and request that information submitted for staff review be put in writing and placed in the docket. At the conclusion of the meeting, the Fuel Cycle PM should recap the meeting and state any agreements or commitments that were reached during the meeting. The Fuel Cycle PM is responsible to write a summary of the meeting, paying particular attention to any agreements, commitments, actions, or observations stated during the meeting. The summary should include the agenda, list of participants, description of information furnished or requested, positions taken, commitments made, and areas of agreement or disagreement. It should be clear and concise. The summary should be completed and distributed to NRC staff contacts and other participants in the meeting within two weeks of the end of the meeting. The meeting summary should also be placed in the docket, Public Document Room (PDR) and Local PDR (i.e., if applicable).

If the Fuel Cycle PM is responsible for arranging a trip regarding a designated facility: Documentation of trip visits and associated meetings in trip reports is very similar to the documentation of meetings. Like meeting summaries, trip reports should be clear and concise and focus on agreements, commitments, actions, and observations. Trip reports should not include (1) conclusions that are more appropriate for inclusion in the Safety Evaluation Report (SERs), (2) information collected or exchanged subsequent to the trip (i.e., necessary exceptions would be explicitly noted in parenthetical information or footnote), (3) policy decisions, or (4) closure of internally controlled items. Trip

reports should normally be completed and issued within two weeks of the completion of the trip. The trip reports should also be placed in the docket, PDR and Local PDR (i.e., if applicable).

### 3.3 Information Management

The Fuel Cycle PM is expected to be the focal point of licensing information for the designated facility. The Fuel Cycle PM should maintain an updated License Application, Environmental Assessment, Emergency Plan, and other documents for ready access by NRC staff and management.

The Fuel Cycle PM should maintain accurate files for licensing actions under review and, to some extent, of past actions. The Fuel Cycle PM should be aware of people who possess information about the facility in order to obtain the information when necessary. The Fuel Cycle PM should be oriented toward early identification of problem areas. The Fuel Cycle PM should stay apprised of information obtained from reports, inspections, enforcement, other NRC actions (i.e., fuel quality and transportation package reviews), and the media about the facility. When potential problem areas are identified, the Fuel Cycle PM should be ready to formulate or cause others to propose potential solutions for, and evaluations of the consequences of, the problems.

The Fuel Cycle PM should be prepared to inform management about the status, problems, and progress of licensing activities at the facility. These transmissions need to be timely and effective. The Fuel Cycle PM also maintains liaison with OGC with respect to processing license amendments, orders, reviews, and exemptions. The Fuel Cycle PM is also responsible for handling technical problems that may affect preparation for a hearing or the hearing itself.

### 3.4 Knowledge of NRC and Assigned Facility

The Fuel Cycle PM should be familiar with how various components of NRC work to ensure safety and security of the facility. In particular, the Fuel Cycle PM needs to be familiar with how the resident inspector and other inspectors contribute to ensuring the safety and security of the facilities, and the role and importance of each of the many types of technical, legal, and administrative reviews and actions conducted by the many parts of the Agency, including interactions between the different organizational units. Such familiarity can be acquired through a variety of means, including: site tours, periodic telephone contact with NRC inspection staff, participation in site inspections (i.e., coordinated in advance with inspection staff), taking appropriate courses such as "Fundamentals of Inspection" and "Regulatory Process," and periodic meetings with NRC personnel. The Fuel Cycle PM should visit their designated facilities at least every year, if they are fuel fabrication facilities, and at least once every three years, if they are greater than critical mass licensees or source material processing facilities.

The Fuel Cycle PM should understand the applicable documents that provide the legal and technical basis for regulatory decisions. The Fuel Cycle PM should exercise care not to attempt to do the work of other cognizant NRC personnel without approval by management.

The Fuel Cycle PM is expected to maintain a working knowledge of the designated facility's current licensing basis and the interactions among components, systems, and structures at the facility. Fuel Cycle PMs should maintain unescorted access authorizations for designated facilities. Normally, such authorization would require current site access training. Fuel Cycle PMs may be called upon to escort senior Agency managers on facility tours.

The Fuel Cycle PM is expected to be familiar with NRC and licensee correspondence related to the designated facility (i.e., inspection reports, safety and safeguards evaluation reports, generic communications, enforcement correspondence, and licensee submittals). The Fuel Cycle PM should be able to identify necessary corrective action regarding any NRC action, inaction, or correspondence that is not consistent with licensing guidance and procedures.

### 3.5 Technical Review

To coordinate reviews and evaluations, the Fuel Cycle PM should have knowledge of the facility and NRC regulations, and project management skills. When coordinating reviews, the Fuel Cycle PM should take into consideration the schedule and action requested by the licensee. In this respect, the Fuel Cycle PM should be familiar with the resources within NRC and coordinate their input into licensing reviews. The Fuel Cycle PM should understand the technical issues and review effort in order to plan and direct overall review efforts and to strive to ensure that NRC efforts are reasonable. The Fuel Cycle PM should direct technically oriented and administrative work and act as liaison between the licensee's managerial and technical personnel and NRC.

### 3.6 Problem Resolution

The Fuel Cycle PM should coordinate the activities of other experts. The Fuel Cycle PM should strive to get the requested effort from other NRC personnel in a timely and decisive manner. This requires leadership skill, understanding and application of management techniques, and strong communication skills. The Fuel Cycle PM should identify differences in viewpoint and either (1) resolve them constructively and outright, (2) resolve them in concert with others in the organization, or (3) request management intervention to seek resolution. The Fuel Cycle PM should resolve the great majority of controversial items through discussions with staff. The Fuel Cycle PM should use

technical leadership, judgment, rationality, and persuasion rather than unilateral direction or authoritarian command to resolve issues.

### 3.7 Objectivity

It is important to ensure that the NRC staff maintain objectivity when dealing with a licensee. The Fuel Cycle PM objectivity should be demonstrated by the manner in which the Fuel Cycle PM conducts the business of NRC: interfacing with the public, maintaining unbiased personal/organizational relationships, and being free from both partiality and antagonism toward the licensee.

To avoid actual or perceived loss of objectivity, the Fuel Cycle PM should:

- Adhere to NRC regulatory positions and policies when discussing issues with a licensee or NRC management,
- Maintain a professional relationship with the licensee using effective and appropriate interpersonal skills without giving the appearance of an inappropriately close relationship,
- Focus reviews and Agency actions on safety- and safeguards-significant concerns, and
- Develop issues fairly and objectively, without biased interpretation or selected examination of the facts.

### 3.8 Duration of Assignments

The desired maximum tenure for a Fuel Cycle PM assignment to a particular facility is 5 years. Though facility and personnel issues may lead to deviations from this guidance, Fuel Cycle PMs are normally reassigned after this period to ensure objectivity and a balanced and fresh perspective. When a Fuel Cycle PM has been assigned to a facility for four years, discussions should be held with branch management about reassignment opportunities. Earlier transfers can be made consistent with Agency needs. However, to maximize productivity, efficiency, and consistency, a Fuel Cycle PM should expect to remain assigned to a particular facility for at least three years. Transfers will be conducted in an orderly manner to facilitate the transition and transfer of facility knowledge to the new Fuel Cycle PM in concert with management direction and support. To capitalize on the working knowledge gained as a backup Fuel Cycle PM, it may be preferable to assign primary Fuel Cycle PM responsibility to a staff member who was formerly a backup PM for that facility.

## 4.0 Functions of the Fuel Cycle Project Manager

### 4.1 General Overview of Fuel Cycle Project Manager Functions

The Fuel Cycle PM serves as the NRC focal point for licensing regulatory activities related to the designated facility. The Fuel Cycle PM performs two primary functions: (1) maintaining the license, and (2) supporting the region and headquarters operations and inspection staff in monitoring the licensee's onsite activities and performance.

The Fuel Cycle PM needs to review and perform licensing actions in accordance with the LIB Materials Licensing Procedures Manual. The Fuel Cycle PM should prepare for management approval, facility-specific documents, (e.g., SERs, hearing notices, Federal Register notices, license amendments, hearing testimony, licensing correspondence and reviews, orders, exemptions, and environmental reviews) using input provided by technical reviewers, OGC, the regions, and other NRC staff. The LIB Materials Licensing Procedures Manual provides guidance on how all licensing functions should be performed and has exhibits on what needs to be included for the different licensing functions. Preparation of the licensing documents often involves interaction with the licensee's management and technical personnel, as well as with NRC management. The Fuel Cycle PM is involved with a licensing action from "cradle" (e.g., receipt and initial review of the licensing request) to "grave" (e.g., licensing action approval or denial). Although the issuance of a licensing document may be considered to complete a major milestone, the task is not completed until it has been implemented by the licensee and, in many cases, until NRC verifies its implementation. That task is performed by NRC operations and inspection staff.

When the Fuel Cycle PM receives information via telecon that impacts a licensing action, the PM must document and place on the docket and put in the PDR in accordance with the LIB Materials Licensing Procedures Manual.

In reviewing the licensing actions of a facility, NRC must assess the current licensing safety basis (material control and accounting or security basis for safeguards actions). This may include accessing information systems and auditing licensee statements and references. The Fuel Cycle PM should review the applicable portions of the SER for the most recent renewal and amendments, as well as associated environmental evaluations, submittals and references provided by the licensee, and relevant license conditions. The Fuel Cycle PM should coordinate acceptance reviews and licensing evaluation reviews. For simple requests, the Fuel Cycle PM should conduct the review and prepare the necessary documentation to support final action on the request. For more complicated requests, the PM should coordinate the technical review with technical reviewers, to assess the safety and environmental implications of the licensee's request. Such coordination necessitates that (1) the Fuel Cycle PM negotiates with the reviewer(s) the adequacy of the submittals and (2) the Fuel Cycle PM negotiates with the reviewer(s) an anticipated date for issuance of a request for additional information (RAI) and thus extrapolate a completion date. Reviews may also

require notification of policy issues raised by the licensee's request to managers within LIB or elsewhere in NMSS or Regional offices. Reviews may also raise legal issues that will require consideration by OGC prior to taking action on licensee requests.

In assisting operations and inspection staff in monitoring licensee activities and performance, the Fuel Cycle PM performs a number of activities including preparation of licensing input for the Licensee Performance Reviews, assisting in inspection planning and enforcement evaluations, responding to correspondence, conducting site visits, participating in inspections and licensing visits, briefing NRC management and others on licensee activities, preparing briefing books, assisting in performing reviews of facility events or issues, maintaining emergency response information, and assisting in responding to facility events and emergencies.

The Fuel Cycle PM may answer correspondence that includes Congressional inquiries, citizen inquiries, media requests, and Freedom of Information Act (FOIA) requests affecting their designated facility. The Fuel Cycle PM may also be designated to take the lead in resolving significant issues that affect more than one facility. Fuel Cycle PMs may occasionally be called upon to evaluate and respond to allegations or petitions for enforcement action submitted in accordance with 10 CFR 2.206. The relative priority and attention to these tasks may shift as a function of the task complexity, controversy, and NRC management direction.

#### 4.2 Interactions with Licensees

In interactions with licensees, the Fuel Cycle PM should remember that the licensee bears responsibility for ensuring safety and safeguards and resolving safety, safeguards, and environmental concerns. In general, the licensee should make proposals for resolving problems with a minimum amount of input from the Fuel Cycle PM about the appropriateness of the proposals. The Fuel Cycle PM then retains independence for evaluating the appropriateness and viability of the licensee's proposals. However, Fuel Cycle PMs must also be familiar with the regulatory requirements, schedule constraints, and precedents so that the guidance will promote a timely resolution of problems. For example, if action by the licensee is required in the near future, the Fuel Cycle PM should strive to ensure that the licensee is aware of the requirements for timely and effective action. The Fuel Cycle PM should inform licensees of established NRC staff positions pertaining to licensee proposals or submittals in progress or under review by the NRC.

Information provided by a licensee to support a licensing request should be in the form of a docketed submittal by the licensee. When time limitations demand, clarifying information can be obtained by telephone or meetings. Oral communications should not generally be used as a licensing basis. If the information orally obtained from the licensee is to be used as a partial basis for a licensing action, the licensee should confirm the information in writing before the completion of the associated licensing

action. Significant items that warrant attention by NRC management should be promptly distributed to branch management, operations and inspection staff.

The Fuel Cycle PM should consider the forum for discussions with licensees; conference calls are often useful as an efficient method of obtaining or confirming accurate information in a timely manner and promoting a mutual understanding of the facts, positions, and concerns. When conference calls are held during an ongoing event or situations where heightened licensee attention is required, the Fuel Cycle PM should exercise caution in scheduling and conducting the call. A governing principle in all interactions with the licensee is that conference calls or meetings with the licensee not interfere with or detract from the licensee's ability to safely and securely operate the plant.

Letters provide the primary formal means of communication with the licensee. Communications to which NRC responds or that enter into NRC evaluations must be submitted in writing in accordance with 10 CFR Parts 2 and 9 and be available to the public, except for specified reasons (e.g., classified information, proprietary information). In writing letters, the Fuel Cycle PM should attempt to use wording so that a knowledgeable third party will be able to understand the letter. Fuel Cycle PMs should also attempt to completely address a topic or topics in a single letter, to strive to ensure that the licensee is provided, with a comprehensive understanding of the scope and depth of NRC concerns. The Fuel Cycle PM should provide regulatory decisions that are made in response to licensee applications. These written decisions are usually documented in the form of SERs. SERs should provide the proper technical, safety and legal basis that coherently supports the staff's decision. Prior to the issuance of an SER, the Fuel Cycle PM should strive to ensure that there are no outstanding safety or safeguards issues pertinent to the action under consideration. NRC may request additional information from a licensee. The Fuel Cycle PM should understand and agree with the reasonableness and appropriateness of the request as proposed by technical reviewers. Questions should be worded to ensure that they evoke a response that is useful in resolving the issues. Requests for information should be accompanied with a reasonable response date. The RAI may be discussed with the licensee before being signed to allow clarification or additions that will avoid misunderstandings or incomplete responses.

The Fuel Cycle PM coordinates, concurs, and may sign licensing related correspondence with the licensee. The Fuel Cycle PM should strive to ensure that they are satisfied with the input and evaluations provided by technical reviewers before concurring. Signature levels and approval authorities are described in the LIB Materials Licensing Procedures Manual.

The Fuel Cycle PM should respect the position of the licensee. Discussions specific to the facility should be held first with the facility rather than with other outside parties, unless the licensee specifically designates those agents. However, even in the case where the licensee designates a third party as an agent, the Fuel Cycle PM should

clearly communicate NRC's preference for communicating directly with the licensee rather than indirectly through a third party.

The Fuel Cycle PM should communicate to the licensee that it is unacceptable for the licensee to implement modifications to established license commitments prior to submitting related applications for, and receiving NRC approval of, relaxation or exemption requests, unless the licensee has already received NRC approval of a change process allowing such flexibility. Some licenses authorize change control processes analogous to the provisions of 10 CFR 50.59. In addition, the requirements in 10 CFR 70.32 allow licensees to make certain changes to programs without obtaining prior approval by NRC. Regarding any exemption requests, the Fuel Cycle PM should remind licensees that they must comply with NRC regulations while NRC's review of the application is ongoing. If the request for exemption is denied by NRC, the licensee must continue to comply with NRC regulations. This same logic applies to requests to modify license conditions. If a licensee chooses to implement modifications to the licensed basis without prior approval from NRC, the Fuel Cycle PM should notify the licensee that (1) the licensee is proceeding at the licensee's own risk and (2) no NRC approval is expressed or implied by any verbal statements made or not made by the Fuel Cycle PM.

If the licensee displays a pattern of submitting incomplete or non-responsive submittals or is chronically late in responding to a RAI, the Fuel Cycle PM should initiate action. The initial response should generally be a telephone call to the licensee's representative. The licensee's representative should be informed that additional action may be forthcoming. If the telephone contact does not satisfactorily resolve the problem, the Fuel Cycle PM should initiate a more formal means of communication, such as letters or meetings with the licensee, including licensee and NRC management to pursue resolution of the problem. Licensee performance marked by consistently inferior licensing quality submittals or habitually late responses should be considered as part of the Licensee Performance Review including stopping of work.

#### 4.3 Interactions with Inspection Staff

For fuel cycle facilities, inspections are conducted by the FCOB in the areas of criticality safety, fire safety, chemical safety, and material control and accounting (MC&A) and by the regional Divisions of Nuclear Material Safety in the areas of operations, radiation protection, environmental protection, transportation, emergency management, and physical protection. Both organizations have a full range of enforcement actions available for compelling compliance with NRC requirements, including assessment of civil penalties.

For fuel cycle facilities, the appropriate regional office has the lead responsibility for assessing the safe and secure operation of the facilities and for determining that it operates within the limitations of the license and NRC requirements. FCSS and the regional office share responsibility for early identification of problems and for arriving at

an accurate identification of the strengths and weaknesses of licensee safety and safeguards performance. Because of these shared responsibilities, the Fuel Cycle PM should work closely with inspection staff, including resident inspectors, for assessing safe and secure operations at the facility on a continuing basis. Therefore, the Fuel Cycle PM and inspection staff should forge strong and effective working relationships that involve frequent contact and open communications. The Agency's primary method for fulfilling these responsibilities is through conducting inspections.

The Fuel Cycle PM and inspection staff should assist and augment each other in their respective principal responsibilities. The Fuel Cycle PM does not direct the actions of the inspection staff, nor does the inspection staff direct the actions of the Fuel Cycle PM. Significant requests for action by either party beyond normal coordination should be directed to LIB or regional supervision. Examples of effective interactions and assistance include the following:

1. The Fuel Cycle PM should keep lead inspection staff informed of significant facility-specific or generic issues concerning the facility license review and regulatory commitments made by the licensee to NRC in connection with the requested licensing actions. The Fuel Cycle PM should consult with inspection staff prior to recommending action on licensing requests. The sharing of details should include any information regarding licensee's schedules and completion dates. Requests for verification by the inspection staff of licensee statements relied upon by the Fuel Cycle PM and licensing staff should be conducted between Branch Chiefs. Inspection staff should provide relevant insights into licensing matters under review by the Fuel Cycle PM to avoid blind spots in the Agency's licensing and inspection activities.
2. The Fuel Cycle PM and lead inspection staff should hold periodic phone calls as necessary to discuss topics such as facility modifications, significant events, noncompliances, open items, enforcement actions, allegations, media and Congressional interest, and relevant decisions by senior Agency management.
3. The Fuel Cycle PM and lead inspection staff should consult during the preparation of inspection plans for team inspections and other significant inspection events, such as Augmented Inspection Teams, Incident Investigation Teams, and readiness inspections. Such consultation is intended to ensure that the inspection staff has the benefit of any insights gained by the licensing staff during the review of license submittals and associated interactions with the licensee, such as specific areas or procedures where the licensee may experience greater difficulty in implementing regulatory commitments. In addition, the licensing staff should emphasize safety controls and safeguards measures identified during the licensing review that are particularly risk significant.

4. The Fuel Cycle PM and lead inspection staff should coordinate the development of any items of interest, daily items, or Preliminary Notifications that address both licensing and inspection activities. The objectives of the coordination are to enhance efficiency by eliminating unnecessary duplication and to ensure a common understanding of the safety or safeguards significance of events and licensee actions.
5. Licensing visits and meetings with the licensee at the licensee site or contacts with interested stakeholders in the vicinity of licensee facilities should be coordinated between the Fuel Cycle PM and lead inspection staff, particularly resident inspectors. Similarly, inspection staff should inform the Fuel Cycle PM of any significant planned meetings with the licensee or associated activities. The objectives of such coordination are to avoid surprises, prevent adverse impacts or distractions on the licensee's safety and safeguards resources, and facilitate participation by the Fuel Cycle PM and inspection staff, in the meetings and related activities. Site visits should be arranged consistent with the work schedules and priorities of the Fuel Cycle PM and lead inspection staff. It is important to demonstrate unity of purpose and effective teamwork between the Fuel Cycle PM and lead inspection staff in the interactions with the licensee and other interested parties.

It is of paramount importance for the Fuel Cycle PM and lead inspection staff to understand each other's roles, functions, and responsibilities in overseeing safe operations at the fuel cycle facilities. Both the Fuel Cycle PM and lead inspection staff should remain knowledgeable of current issues about assigned facilities in which each is involved. To achieve this understanding, the Fuel Cycle PM and lead inspection staff should use telephone and e-mail contacts to coordinate their respective activities. In addition, the Fuel Cycle PM should occasionally accompany inspections that are concurrent with site visits or licensing meetings at the site to become familiar with the facility, implementation of licensee commitments, and licensee performance. The Fuel Cycle PM and lead inspection staff both have valuable information that can enhance the performance of each other's duties in licensing and inspecting the fuel cycle facility. In working with the lead inspection staff, the Fuel Cycle PM should also bear in mind that matters of policy, regulatory interpretations, and Agency positions should also be communicated to regional management.

In matters related to international safeguards, International Safeguards Section staff should inform the Fuel Cycle PM of announced International Atomic Energy Agency (IAEA) inspections, their purpose, schedule, and inspection personnel. Subsequent to the inspection, any issues identified by the inspectors or licensee should be promptly brought to the attention of the Fuel Cycle PM. The International Safeguards Section staff will also notify the Fuel Cycle PM of any associated visits to the facility by foreign entities that have been coordinated through NRC. The Fuel Cycle PM may be requested to provide appropriate support to facilitate the visit. In cases involving a new license application for a fuel fabrication, conversion, or scrap recovery operation, the

Fuel Cycle PM needs to inform the International Safeguards Section staff and keep the staff apprised of any significant safeguards issues that arise during the licensing review.

In addition, the Fuel Cycle PM need to promptly communicate any issues related to transportation safety or fuel quality to cognizant staff in the SFPO or NRR, respectively. These issues could arise in licensing reviews or inspections of the facility. Similarly, SFPO or NRR staff should inform the Fuel Cycle PM of any significant issues or enforcement actions that surface out of transportation or fuel quality and design inspection at the facilities.

#### 4.4 Interactions with the Office of the General Counsel

OGC is responsible for ensuring that licensing actions are conducted in accordance with NRC administrative and substantive requirements in Title 10 of the CFR and the Atomic Energy Act and other statutes. The Fuel Cycle PM should interact with cognizant attorneys in OGC to ensure that the proper legal reviews have been made prior to issuance of the license or amendments. Licensing actions which are straightforward, do not raise legal issues, and for which precedent exist do not require OGC review prior to issuance. However, as described in the LIB Materials Licensing Procedures Manual, OGC views should be obtained on cases that are unique, raise novel legal issues, candidates for legal intervention by a third party or enforcement, likely to be contested by the licensee, or other similar reasons. Orders, exemptions, directors' decisions, and similar documents are should be reviewed by OGC attorneys. In addition, the Fuel Cycle PM may identify generic issues that would benefit from a formal interpretation by OGC. In such cases, after consultation with LIB management, the Fuel Cycle PM should document the issue and request an interpretation by OGC in a memorandum.

The principal form of interaction with OGC is through concurrence on licensing documents (e.g., cover letters and SERs in support of licensing actions). The OGC attorney reviews the entire licensing package, or pertinent parts thereof, depending on the scope of the request and the breadth of the associated legal issues. OGC concurrence does not necessarily mean that OGC concurs with the approach or technical aspects of the case, but rather that the legal counsel has no legal objection (NLO) to the proposed action.

Most interactions between the Fuel Cycle PM and OGC representative occur informally through the review of drafts of licensing packages. The OGC review is often focused on ensuring the document's form and content or the licensing procedure will readily satisfy any anticipated follow-on legal challenges. The Fuel Cycle PM should work closely with the OGC representative to satisfy this aim and to incorporate comments and changes. It is OGC policy to attempt to process licensing actions within five working days of receipt. If an action is identified as urgent, it will be processed on an expedited basis, depending on the degree of urgency. As with all scheduling,

significant delays in obtaining concurrence or NLO should be promptly identified and escalated through management channels.

Effective coordination between OGC and the Fuel Cycle PM is vital to the Agency's success in hearings. Unlike the licensing process where the Fuel Cycle PM usually takes the lead in interactions with OGC, the roles are somewhat reversed in preparing for and participating in hearings. OGC has the lead role in this process because of their familiarity with the process; the legal nature of filings, contentions, and other submittals; and OGC's role in representing the Agency before the Licensing Board or Court. In such proceedings, the Fuel Cycle PM serves the role of a consultant or advisor to OGC with the objective of ensuring that the legal filings are factually correct, consistent with NRC regulations, and presented in the proper context.

#### 4.5 Interactions with Other Project Managers

In addition to seeking guidance from LIB management, one of the principal techniques that a Fuel Cycle PM can employ to determine a particular safety, environmental, or safeguards issue should be resolved is by consulting with other Fuel Cycle PMs who may have already successfully addressed the issue on another project. Extensive and frequent communication between Fuel Cycle PMs is encouraged to increase effectiveness. This may take the form of a group or one-on-one discussions. The dynamic nature of the licensing review process, the evolving nature of fuel cycle technology, and the breadth of subject matter addressed by Fuel Cycle PMs make all types of communications between Fuel Cycle PMs very important to the success of the Agency.

#### 4.6 Public Interactions

The Fuel Cycle PM has the obligation to be responsive to the public and should strive to ensure that any delays in completing reviews of proposed actions are legitimately caused by safety, environmental, or safeguards considerations, rather than unnecessary administrative delays. At the same time, the Fuel Cycle PM should strive to ensure that no undue risks to the public health and safety or to the quality of the environment will result from proposed actions or NRC decisions. When responding to the public, orally or in writing, the Fuel Cycle PM should strive to clearly explain the relevant safety considerations associated with licensing decisions, the regulatory basis associated with the decisions, and the expected effects of NRC decisions. At the same time, the Fuel Cycle PM should refrain from speculating about topics, such as economics or politics, that are not within the purview of the NRC and not directly relevant to NRC decisions.

## 5.0 Other Topics

### 5.1 Control of NRC Draft or Predecisional Information

An NRC document is considered to be a draft from its initial development until it is issued in final form. For this section, draft documents do not include draft documents that are specifically disseminated, as approved by NRC management, for review and comment by the public, including licensees.

A draft document is considered predecisional when it encompasses an opinion, recommendation, proposal, or advice. Such documents are routinely prepared and reviewed within NRC as part of an ongoing deliberative process. For example, draft SERs, license conditions, Licensee Performance Reviews, and Senior Management Meeting Screening Information is routinely assembled, documented, and circulated for internal review before final action is taken. Draft or predecisional information shall not be discussed with, given to, or shown to any licensee or external party without prior approval of the Director of FCSS. In addition, staff members must not release documents created by, communicated to, or received from the Commission and its staff unless approval is received from the Commission before the release. If a draft or predecisional document is inadvertently or otherwise released by the NRC, the Executive Director of Operations (EDO) should be advised promptly in writing of the occurrence, implications, and actions to be taken to avoid recurrence of such release. In such circumstances, the released document must also be placed in the PDR, unless it contains classified or sensitive, non-classified information.

NRC Management Directive 3.4, "Release of Information to the Public," provides NRC's policy related to the release of draft or predecisional documents. This policy emphasizes that NRC documents must be developed and issued without improper licensee or public influence, or the appearance of such, and must be available to the public in a timely manner, consistent with NRC regulations, policies, and procedures.

Upon approval and issuance of a final document, associated draft documents, background material, notes, and mark-ups should be destroyed by NRC staff, unless the following conditions exist (see NRC Management Directive 3.53, "NRC Records Management Program"):

- They were circulated or made available to employees, other than the creator, for official purposes such as approval, comment, action, recommendations, follow-up, or to communicate with Agency staff about Agency business.
- They contain unique information, such as substantive annotations or comments included therein that adds to a proper understanding of the Agency's formulation and execution of basic policies, decisions, actions, or responsibilities.

Retention of draft materials containing proposals and evaluations of alternatives that are vital to understanding a final Agency decision or policy provides the means for the staff to justify controversial decisions should the need arise. If someone unfamiliar with the document would not understand the final document without the use of the draft material, then the draft material should be retained. In addition, draft documents must be kept if a FOIA request for them has been received and is being processed. If no final product resulted from the deliberations, then retention of draft documents is not required. The retention period for the draft material is the same as that for the final document. Retention periods for NRC records are specified in NUREG-0910, *NRC Comprehensive Records Disposition Schedule*.

## 5.2 Controlling Office of Investigation Reports

The Office of Investigation Reports (OI) investigates violations of NRC regulations to determine if criminal conduct is involved. An OI Report of Investigation (ROI) is especially sensitive in that it may identify an alerter or contain confidential information. Information in the ROI may be used later for escalated enforcement or referred to the Department of Justice for criminal prosecution. In any case, ROIs must be guarded to prevent unapproved public release of the ROI itself or information derived from the ROI (e.g., ROI Synopsis).

NRC staff access to ROIs is provided on a need-to-know basis. Providing the ROI, any portion of the ROI, or discussing the contents of the ROI to another NRC individual for internal review is appropriate provided the individual receiving the information has a need-to-know. When in doubt, the Fuel Cycle PM should check with an NRC manager involved with the case. The information provided or discussed should be limited to that which is absolutely necessary. This may mean that specific pages or attachments from an ROI may be copied and provided to another NRC individual with a need to know. These copies must be treated in the same manner as the ROI itself. Any copies must be controlled to prevent inadvertent release. Any personal notes that reflect the contents of the ROI must also be treated as if they were part of the ROI.

When the ROI, individual ROI, ROI attachments, or personal notes are not in use, they must be kept in a locked desk drawer, filing cabinet, or safe. An ROI should never be left open and unattended. When an ROI or any part of an ROI is no longer needed, the ROI must be returned to the individual who has responsibility for the ROI. Any copies of an ROI, part of an ROI, attachments, or personal notes, must be destroyed by shredding or placement in a burn bag. Copies are not to be placed in branch, division, or office reading files or central files.

ROIs are also exempt from public disclosure under FOIA Exemption 7. If a FOIA request captures an ROI, the entire ROI must be copied and given to the FOIA coordinator. The FOIA coordinator will then have OI determine the information that is releasable, if any. However, the ROI may contain a significant number of attachments. If copying the entire ROI is burdensome, then the FOIA coordinator should be

contacted to determine what needs to be copied for OI's release determination in accordance with Agency procedures.

### 5.3 Allegations

An allegation is a declaration, statement, or assertion of impropriety or inadequacy associated with NRC-regulated activities, the validity of which has not been established. Allegations regarding specific facilities are usually referred to the appropriate regional office for action. However, NRC staff may be assigned responsibility for assessing allegations or may be the recipient of allegations over the phone or in person while engaged in activities associated with the licensed facility. This is particularly relevant to allegations that involve interpretations of license conditions or the technical basis for NRC licensing decisions. Although information about allegations is not always transmitted to or shared with the Fuel Cycle PM, the Fuel Cycle PM should attempt to be aware of open allegations that affect the assigned facility. NRC staff should ensure that all related documents are controlled in accordance with NRC procedures. In addition, allegations that affect or are related to ongoing licensing actions should be elevated to LIB management prior to or concurrent with forwarding the licensing package for approval. Agency-wide procedures for handling and resolving allegations are provided in NRC Management Directive 8.8, "Management of Allegations;" and the LIB Materials Licensing Procedures Manual, "Chapter 13."

Any employee may receive an allegation verbally or in writing. In the case of verbal allegations, the NRC staff should record the information and inform the aleger of NRC's identity protection provisions and limitations. NRC staff will provide the originals of all allegation documentation to the NMSS Office Allegation Coordinator (OAC) within three days of receipt. NRC staff should not make any copies of the allegation information and should protect against disclosure of the aleger's identity or other private information that could directly or inadvertently disclose the aleger's identity to other NRC staff or outside parties. The OAC reviews the allegation documents, assigns responsibility for handling the allegation, and convenes an ARB at the Division or Deputy Division Director level, in addition to other duties identified in NRC and NMSS procedures.

Normally within 30 days of receipt of the allegation, the ARB convenes to review the allegation, discuss the potential safety or security significance, establish an allegation priority, consider the resolution plan proposed by the cognizant section chief and the associated schedule, and hear recommendations on the need for licensee referral and OI involvement. At the recommendation of the OAC, the ARB reconvenes if significant new information is uncovered during the course of the investigation, or if a different resolution plan is necessary. The ARB also meets periodically to review the status of open allegations.

Following the initial ARB meeting, the group or individual assigned action on the allegation makes a best effort to investigate and resolve the allegation and bring it to final closure in accordance with the resolution plan and schedule approved by the ARB. Allegations are reviewed as expeditiously as resources and other priorities allow. Normally the goal is to complete the review within six months of receipt of the allegation by the office assigned responsibility for the review.

During the course of the investigation, no informal transmittal of documents from NRC to the licensee is permitted. Steps are taken to limit distribution of allegation-related documents within NRC and to prevent inadvertent distribution or disclosure of allegation information to licensees, public document room, docket files, and members of the public. Pertinent information about the allegation may be released to a licensee if the safety or security concerns are significant enough to justify the risk of compromising the effectiveness of the investigation, or if an emergency situation exists that warrants immediate action. In all cases, such release of information will be approved by the ARB and occur under the oversight of the OAC.

For allegations handled by LIB, the LIB Branch Chief reviews and approves the conclusions of the investigation team and the recommended close-out actions. The final close-out report includes a summary of the allegation, description of the evaluation performed, and the conclusions reached. The emphasis of the final report should be on whether the allegation was substantiated and the safety and security implications of any allegations. Within 30 days of the completion of the close-out report, the LIB Branch Chief sends a close-out letter to the algeber in coordination with the OAC and the Director, FCSS.

#### 5.4 Enforcement

The authority to enforce NRC requirements, including binding conditions in licenses and commitments in license applications, is derived from the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. NRC staff may be called upon to assist in the internal decisionmaking process through which NRC enforces its requirements for nuclear safety and security. NRC's OE oversees the enforcement program. Within NMSS, IMNS coordinates enforcement actions within the material program area, including fuel cycle facilities. IMNS Regional Coordinators serve as points of contact and should be kept informed about any escalated enforcement actions involving fuel cycle facilities.

Enforcement actions are generally taken by the regional offices, but the FCOB may occasionally take enforcement action on violations for which headquarters has the lead inspection responsibility. When NRC management determines that escalated enforcement may be warranted, an enforcement board or panel meeting is convened to consider the matter. The Fuel Cycle PM should participate in any enforcement boards that consider violations for their designated facility. The board may decide that a pre-decisional enforcement conference with the licensee is needed to obtain more

information regarding the violations and associated issues. Following the meeting of the enforcement board or the pre-decisional enforcement conference, cognizant branch and division managers will conduct an enforcement caucus. The Fuel Cycle PM is expected to participate in this enforcement caucus to decide on recommendations for appropriate enforcement action. The Fuel Cycle PM should help ensure the technical accuracy, provide a licensing perspective, and focus on the safety and security significance of the violations.

NRC's enforcement policy and procedures are described in NUREG-1600, "General Statement of Policy and Procedure for NRC Enforcement Action." NUREG/BR-0195, Revision 1, "NRC Enforcement Manual," provides detailed instructions for determining the type of enforcement action and the amount of civil penalties, as well as sample documents to implement the actions. The Fuel Cycle PM for the affected facility should review the enforcement case, attend enforcement meetings, and coordinate preparation of LIB's views on proposed enforcement actions and strategies.

## 5.5 Environmental Assessments and Environmental Impact Statements

The Fuel Cycle PM should have the Environmental Impact Statements (EIS) Task Force in the Division of Waste Management review the Environmental Assessment for completeness prior to issuing. The Fuel Cycle PM should handle the EIS review in LIB for completeness prior to issuing (i.e., Chapter 6 of the LIB Materials Licensing Procedures Manual).

## 5.6 2.206 Petitions

A 2.206 petition is a request filed by any person, pursuant to 10 CFR 2.206, requesting a proceeding to modify, suspend, or revoke a license or for such other action as may be proper. The Fuel Cycle PM may be assigned to participate in, and in part direct, the Agency's response to a petition. A complete description of the procedures for 2.206 Petitions may be found in NRC Management Directive 8.11, "Review Process for 10 CFR 2.206 Petitions."

## 5.7 Unsolicited Information

Most unsolicited information received by NRC staff is routine, nice to know, has no safety or security significance, and is readily disposable. However, the NRC staff must be able to identify and remain vigilant for non-routine unsolicited information that requires some types of regulatory action.

Each piece of unsolicited information received by the staff must be adequately and promptly reviewed, screened to determine how it should be processed and recorded, and handled on the basis of its safety or security significance. If NRC staff discovers issues based on the unsolicited information, NRC staff must promptly inform the appropriate LIB management, license reviewers, Fuel Cycle PM, and inspection staff,

so that effective regulatory actions can be initiated to respond to concerns and resolve any issues.

NRC staff may need to document receipt of the information in a personal log, in an internal memorandum, in an e-mail, and place the information on the docket or in the PDR. Many types of unsolicited information will require NRC staff to follow up after a reasonable period to determine what actions that person that provided the unsolicited information has taken. NRC staff should be sensitive to the nature of unsolicited information and how it should be promptly and properly evaluated, processed, and tracked for follow up. Under certain conditions, the unsolicited information may constitute an allegation, which needs to be handled and processed accordingly (see Section 5.3).

Upon receipt of unsolicited information, NRC staff will promptly take the following three steps: reviewing, screening, and documenting.

#### Step 1: Reviewing

NRC staff reviews the unsolicited information to understand the purpose of the information, the technical details, and what regulatory actions are being requested or may be required by the unsolicited information. If the information is not fully understood, NRC staff should conduct subsequent discussions with the source of the unsolicited information if accessible.

#### Step 2: Screening

Screening is most effectively performed by answering a series of questions to determine if the unsolicited information concerns the safety or security of a licensed facility, if the unsolicited information contains alleged NRC employee or contractor impropriety or alleged wrongdoing by the licensee, if the unsolicited information raises safety or security issues that require follow up, if the unsolicited information requires an NRC response that should be processed as controlled correspondence (i.e., an EDO or NMSS controlled ticket), or if the unsolicited information concerns matters that are unrelated to NRC regulatory activities or authority. Any unsolicited information in this last category may require followup action by NRC to refer the matter through appropriate channels to the Agency or party that has the authority and responsibility to address the concern. Screening also determines whether the unsolicited information constitutes an official Agency record and requires docketing in accordance with NRC procedures (i.e., Management Directive 3.50, "Document Management").

If the unsolicited information contains an allegation of improper operation, maintenance, design, or decommissioning of a licensed facility or of licensee wrongdoing, NRC staff treats and controls the unsolicited information as sensitive

information and immediately informs the LIB Branch Chief. NRC staff provides the allegation to the NMSS OAC for processing.

If the unsolicited information implies or directly states that an NRC employee or contractor has acted improperly or made improper statements while conducting official Agency business, NRC staff treats and controls the unsolicited information as sensitive information and immediately informs the LIB Branch Chief, and NMSS OAC for prompt referral of the information to the Office of the Inspector General, in accordance with NRC Management Directive 7.4, "Reporting Suspected Wrongdoing and Processing OIG Referrals."

If the unsolicited information raises safety or security concerns about the operation, maintenance, design, or decommissioning of a licensed facility, NRC staff informs the LIB Branch Chief, and places a copy of the information in the docket file and PDR through referral to the LIB Licensing Assistant. In addition, NRC staff coordinates with the inspection staff in the FCOB and the region to verify the status and significance as reflected in recent inspection findings and to determine past and present conditions.

If the unsolicited information is a draft document or a routine submittal provided informally to NRC by a licensee or other external source, then NRC staff determines why the source has provided the unsolicited information. It is generally appropriate for NRC staff to reject the information by returning it to the source or disposing of it and to request that the source officially submit the information to the NRC Document Control Desk for placing the information on the docket. Further guidance is provided in NRC Management Directive 3.4 (i.e., see Part II, Section II).

If the unsolicited information is routine information that the staff will use in support of a licensing action, NRC staff should ensure that the information is included on the docket and appropriately referenced in the subsequent licensing actions. Such information should only be relied upon in support of licensing if it comes from a reputable source or has been independently confirmed in some reliable manner.

## Acronym List

AEC	U. S. Atomic Energy Commission
ARB	Allegation Review Board
CFR	Code of Federal Regulations
EDO	Executive Director of Operations
EIS	Environmental Impact Statements
FCSS	Division of Fuel Cycle Safety and Safeguards
FCOB	Fuel Cycle Operations Branch
FOIA	Freedom of Information Act
IAEA	International Atomic Energy Agency
IFI	inspector followup item
IMNS	Division of Industrial and Medical Nuclear Safety
LIB	Licensing and International Safeguards Branch
MC&A	material control and accounting
NLO	no legal objection
NMSS	Office of Nuclear Material Safety and Safeguards
NRC	U. S. Nuclear Regulatory Commission
NRR	Office of Nuclear Reactor Regulation
OAC	Office Allegation Coordinator
OE	Office of Enforcement
OGC	Office of the General Counsel
OI	Office of Investigations
OIG	Office of the Inspector General
PDR	Public Document Room
PM	Project Manager
RAI	request for additional information
ROI	Report of Investigation
SER	safety or safeguards evaluation report
SFPO	Spent Fuel Project Office
UI	unresolved item
USEC	United States Enrichment Corporation