

No. S-32-92
Tel. 301\504-2240

Remarks by Ivan Selin
Chairman, U.S. Nuclear Regulatory Commission
before the
NRC Fuel Cycle Licensee Workshop
Bethesda, Maryland
September 15, 1992

Good morning. It is a pleasure to welcome all of you to the NRC's fourth fuel cycle workshop. This workshop provides an exceptional opportunity for the NRC and all of its licensees to meet and exchange views on present and future regulatory issues.

I hope and believe that this meeting will be extremely useful, and not only in terms of the substantive contribution it makes toward resolving the complex issues that will be addressed. We want to ensure that the NRC makes its decisions with the benefit of the views of all those with knowledge and expertise to contribute. Of equal importance, we are interested not just in the views that you bring to the table initially, but also in your thoughts on each other's positions. What I am suggesting is an interactive process in which the give and take among the participants can illuminate positions and priorities, and, ideally, suggest where common ground and compromise are feasible.

In past remarks I have touched on several themes of importance in NRC's regulation of nuclear power plants, as well as waste management and decommissioning. This morning I will take this opportunity to bring you up to date on some major initiatives and events affecting fuel cycle licensees. At the end of my presentation, I would be happy to address any questions which you may have.

I came to the agency a little over a year ago believing that it was necessary to change the status quo. Progress requires change. If we are to foster the high degree of public confidence and trust that we need and deserve, we at NRC, and you in the nuclear power industry will both have to change our way of doing business in the future. What do we need to change? We will have to willingly accept the idea of much more openness to the public.

I see change in this direction as absolutely essential if we are to facilitate the level of public understanding of the nuclear industry that is the precursor to genuine trust and confidence. In doing so, we must remember that the public has a right to know the facts about NRC-licensed activities. If things go wrong, we must accept it as our obligation to tell the public promptly and candidly. And by the same token, when things go well, the public needs to know that too. For our part, the NRC must be willing to provide realistic assessments at all times. Our credibility, and yours too, depends on our being able and willing to tell the whole story, both the good and the bad.

Openness, by itself, will accomplish little if the public does not see NRC as both independent and competent in its regulatory actions. I firmly believe that it is in your best interest that the public have confidence that nuclear materials are being safely and effectively regulated. I believe that NRC has been a strong regulator in these areas in the past, and that we have properly based our decisions on the safety judgements of qualified technical experts. However, we must increase public involvement, and we also must continually reexamine our regulatory programs to assure they are properly focused on safety issues and are effective and efficient in accomplishing their goals.

For example, to improve in the enforcement area, the Commission has initiated an important effort to increase openness. The NRC's past policy on enforcement conferences has, for the most part, prevented the public from observing enforcement conferences held with licensees. In an effort to improve public understanding of NRC's enforcement actions, the Commission has directed the staff to develop and implement a two-year trial program in which selected enforcement conferences in each region will be open to the public. The trial program will be monitored by the NRC staff, and upon completion, they will make a recommendation to the Commission on whether to establish a policy for the use of open enforcement conferences. Recently, there was an open enforcement conference held in Region IV with management from General Atomics' Sequoyah Fuels facility. I believe that this was a successful first step in elevating public awareness of NRC's actions to enforce our regulations.

Another initiative by the Commission to improve effectiveness is in the area of decommissioning. Since coming to the Commission, I've had the opportunity to visit four active fuel cycle facilities: GE-Wilmington, B&W-Lynchburg, Sequoyah Fuels, and most recently NFS-Erwin. During these visits, I observed that several licensees are conducting cleanup activities, either to decommission inactive facilities or to decontaminate some areas of their facility. In support of your efforts, we're moving ahead with a plan to answer the question, "How clean is clean enough?" For years our decisions on the

unrestricted release of facilities and license terminations have been based on a patchwork of guides and technical positions. However, there has not been a codified basis for those decisions. The Commission's policy statement on Below Regulatory Concern sought to provide that basis. For a number of reasons, perhaps including insufficient public involvement, this approach was not successful. In addition, our subsequent effort to convene a representative group to develop a consensus on BRC issues did not succeed.

The staff has now developed a new plan to work with interested groups on establishment of residual contamination criteria for returning licensed facilities to unrestricted use. The need for such criteria is obvious -- to apply a common set of standards to the cleanup of a variety of contaminated facilities. The objective of the staff's plan is to identify and discuss issues through a series of regional workshops involving representatives from industry, States, public interest groups, and other Federal agencies, including the Environmental Protection Agency. From that effort, as well as preparation of a Generic Environmental Impact Statement, the staff will develop a proposed rule which will provide specific criteria for acceptable levels of residual contamination for decontamination of licensed facilities. The process of workshops and rule development will be a lengthy one. However, the Commission thinks it will have a substantial payoff, not only in building public confidence through involvement, but also in providing a much-needed measure of predictability in our licensing decisions for decommissioning and decontamination.

In addition to the decommissioning initiative I've mentioned, NRC is also carefully examining how we license fuel cycle and major materials facilities. As you know, we've had several troubling incidents in this area over the past couple of years. At GE-Wilmington and at NFS-Erwin, the incidents were related to criticality controls. I don't have to tell you that a criticality accident at a fuel cycle facility could have disastrous repercussions, well beyond the potentially very serious worker health and safety effects. Also, at General Atomics' Sequoyah Fuels plant, the staff and the Commission have had numerous compliance and decontamination issues to deal with.

The incident at GE-Wilmington provided us with considerable cause for rethinking our licensing and inspection program for fuel cycle facilities. NRC's Executive Director for Operations chartered an Incident Investigation Team shortly after notification of the situation at Wilmington. In its investigation of the root causes of the incident, the team not only addressed problems at the facility but also problems with NRC's licensing and inspection program related to that facility and others like it. The team made several findings regarding licensing and inspection, which included: 1) regulations and

guidance for fuel facility emergency planning and incident reporting were vague; 2) there were misunderstandings about the license review process between Headquarters, the Region, and the Licensee; and 3) the inspection program was limited in its focus.

These findings are being addressed at several levels, the broadest of which is a regulatory review task force. The task force has examined the regulatory process for fuel cycle and large material licensees, from beginning to end, and has developed a report, NUREG-1324, documenting their recommendations. These recommendations address NRC licensing, inspection, regulations, staffing, and training. Subsequent to the issuance of the report, the NRC requested public comments. Many comments have been received from industry and the general public. The staff has prepared responses to these comments and has drafted an action plan to implement the recommendations found in the report. Although the NRC has not yet made any decisions about which, if any, of the recommendations to adopt, several recommendations are being considered. These include: 1) revising our regulations to address key issues such as quality assurance in safety programs, reporting of loss of criticality safety controls, integrated safety analysis, and a provision to allow licensees to make changes without prior NRC approval where no unreviewed safety question is involved; 2) developing guidance on performing safety analyses; 3) updating and maintaining safety and safeguards guidance documents; 4) developing a program for evaluating operating experience at fuel cycle and large materials facilities; and 5) developing guidance for conducting periodic appraisals of each licensee's performance in a public meeting.

The staff also is reviewing our inspection program to focus better on management oversight and review of changes to plant operations. Since the last workshop, we have established full-time Resident Inspectors at B&W-Lynchburg and at NFS-Erwin. To augment the scope of operational team assessments, the staff has expanded team assessments from one week to two weeks and incorporated a chemical safety review. The first of these augmented assessments was conducted at the Siemens facility located in Richland, Washington, and a more recent assessment was performed at the Westinghouse-Columbia facility. We're also strengthening our capabilities in the area of criticality analysis. The number of experienced professionals in this area has been dwindling for some time. As a result, NRC has experienced difficulties, as I suspect you have, in finding, recruiting, and retaining criticality professionals. To improve our capabilities, we're expanding our core of experts through a combination of work assignments, formal training, and fellowships at NRC in the criticality area. We're also looking to provide improved skills in criticality safety for our inspectors.

Finally, one of our major priorities in the fuel cycle area has been to improve the efficacy of regulations and to develop a well-defined basis for our regulatory programs. As it currently stands, much of our licensing has been done on an ad hoc basis, with little replicability across the board. While I recognize the great diversity of fuel operations out there, I also think there needs to be greater commonality in NRC's approach to regulation. What we need is a way of conducting business that is efficient and consistent. I believe this can be accomplished by regulating fuel cycle facilities in a manner more analogous to how we regulate nuclear power plants. This does not mean licensees should be required to submit detailed technical specifications or probabilistic risk assessments. What I envision is that licensees would enhance their own internal capabilities and programs for identifying risks and the necessary safeguards to mitigate or eliminate those risks. One of the staff's initiatives in this area is to develop guidance on how to conduct and document an integrated safety analysis. This analysis is conceived as a multi-faceted evaluation, one that addresses not only the risks associated with the handling of licensed materials but also the chemical, industrial, and fire hazards identified with fuel cycle operations as they might affect or be attendant to radiological concerns. To the extent that licensee self-evaluation and risk prevention can be relied upon, the NRC should be able to ease the regulatory burden it imposes.

In addition to the NRC's efforts to make fuel cycle regulation more efficient and consistent, the Commission believes that experienced plant personnel can make positive contributions in identifying aspects of our regulations that need improvement. To acquire this input, the Commission has directed the staff to visit selected fuel cycle and materials licensees to solicit their opinions regarding the impact of NRC regulations on plant operations. Our first survey was completed recently. It involved Siemens personnel and has provided us with valuable insight into the impact of many of our regulations on their facility. I appreciate their cooperation and candor in this effort. I hope, as the staff continues with its survey, that they find the other licensees to be just as open with their responses.

A great deal of what I've said this morning has focused on what NRC is doing. We're improving our licensing and inspection programs and thereby placing the entire materials program on a more consistent, predictable basis. At the same time, we're improving the efficacy of our regulations. We plan to develop a formal set of cleanup criteria for decommissioning and decontamination of licensed facilities. In each of these initiatives, we're seeking to increase openness, independence, and public involvement in what we do and, by inference, in what you do.

While these initiatives are important, they can't fully succeed without your cooperation. It is in your best interests, both from a compliance standpoint as well as a management standpoint, to examine your operations carefully. You will be better served in the long run if you find and fix problems yourself, before they become serious regulatory issues. I have to admit there's somewhat of a selfish motive here, too: the more effective you are in self-policing, the farther we can stretch our limited resources.

I hope that I've given you some food for thought over the next few days here. I wish you all a productive and effective workshop. I'll be happy to respond to questions at this time.