

May 1, 2001

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

Dear Mr. Chairman:

The Fiscal Year 2001 Energy and Water Development Appropriations Act, House Report 106-693, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. The FY 2000 Energy and Water Development Appropriations Act, House Report 106-253, expanded the scope of the report requirement to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to evaluate NRC security regulations. In FY 2000, we also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the twenty-eighth report, which covers the month of March (Enclosure 1).

The February report provided information on a number of significant NRC activities, including the NRC Atomic Safety and Licensing Board's (ASLB) decision to dismiss a challenge to Carolina Power and Light's 1998 amendment request for spent fuel pool expansion at its Shearon Harris nuclear power station. The ASLB said in a March 1 decision that North Carolina's Board of Commissioners of Orange County (BCOC) failed to raise any issues that warranted a further hearing and that the NRC staff demonstrated that an accident postulated by the BCOC was "remote and speculative." On March 19, 2001, the BCOC filed a petition seeking Commission review of the most recent ASLB decision and two other decisions issued last year. Orange County also asked the Commission for an emergency stay of the ASLB's March 1 decision.

During this reporting period, the NRC staff issued a report providing the findings of an NRC team that inspected the Indian Point Unit 2 (IP2) nuclear power plant earlier this year. The multidisciplinary team of 14 inspectors carried out the inspection over the course of about two months, with a total of three weeks of on-site reviews. The inspection was conducted in response to the plant's designation as a facility with "multiple degraded cornerstones," or indicators of declining performance. The results of the inspection indicate that IP2 is being operated safely. However, the team identified problems at IP2 in the areas of design control, human and equipment performance, problem identification and resolution, and emergency preparedness. While performance improvements were noted, progress has been slow overall, indicating the need to maintain, and in some areas accelerate, the licensee's ongoing performance improvement program.

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

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- issued amendments to the Certificates of Compliance (CoCs) for the package Model Nos. TN-BRP and TN-REG, to allow full-basket load shipments of spent nuclear fuel. The shipments will be from the Department of Energy's (DOE) West Valley facility in New York to the Idaho National Engineering and Environmental Laboratory. The TN-BRP and TN-REG CoCs will expire after the completion of the one-time shipment.
- issued an amendment to Grand Gulf Nuclear Station (GGNS) Unit 1 operating license which authorizes revision of the GGNS licensing basis and Technical Specifications by approving a full scope implementation of the alternate source term (AST) described in NUREG-1465, "Accident Source Terms for Light Water Nuclear Power Plants." This represents a significant technical milestone, and a precedent setting regulatory action. GGNS, which is located in Mississippi, will be the first Boiling Water Reactor plant to move ahead with full-scope implementation of the AST. Implementation of this change is expected to result in significant improvement in operational efficiency and safety, and in recurring cost savings over the remaining life of the plant.
- issued amendments which replace the Quad Cities Units 1 & 2, Dresden Units 2 & 3, and LaSalle Units 1 & 2 technical specifications in their entirety with new technical specifications based on the improved Standard Technical Specifications. Applications to convert these six units were submitted jointly and reviewed on an accelerated one-year schedule.
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I have enclosed (Enclosure 2) the update to the Tasking Memorandum which delineates the specific initiatives completed by the agency since August 1998 and future milestones.

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

Sincerely,

/RA/

Richard A. Meserve

Enclosures:

1. Monthly Report
2. Tasking Memorandum

cc: Senator Joseph I. Lieberman

May 1, 2001

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

Dear Mr. Chairman:

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Richard A. Meserve

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2. Tasking Memorandum

cc: Representative Rick Boucher

May 1, 2001

The Honorable Sonny Callahan, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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cc: Representative Peter J. Visclosky

May 1, 2001

The Honorable Pete V. Domenici, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

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cc: Senator Harry Reid

May 1, 2001

The Honorable W.J. "Billy" Tauzin, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

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

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

Sincerely,

/RA/

Richard A. Meserve

Enclosures:

1. Monthly Report
2. Tasking Memorandum

cc: Representative John D. Dingell

May 1, 2001

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

Dear Mr. Chairman:

The Fiscal Year 2001 Energy and Water Development Appropriations Act, House Report 106-693, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. The FY 2000 Energy and Water Development Appropriations Act, House Report 106-253, expanded the scope of the report requirement to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to evaluate NRC security regulations. In FY 2000, we also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the twenty-eighth report, which covers the month of March (Enclosure 1).

The February report provided information on a number of significant NRC activities, including the NRC Atomic Safety and Licensing Board's (ASLB) decision to dismiss a challenge to Carolina Power and Light's 1998 amendment request for spent fuel pool expansion at its Shearon Harris nuclear power station. The ASLB said in a March 1 decision that North Carolina's Board of Commissioners of Orange County (BCOC) failed to raise any issues that warranted a further hearing and that the NRC staff demonstrated that an accident postulated by the BCOC was "remote and speculative." On March 19, 2001, the BCOC filed a petition seeking Commission review of the most recent ASLB decision and two other decisions issued last year. Orange County also asked the Commission for an emergency stay of the ASLB's March 1 decision.

During this reporting period, the NRC staff issued a report providing the findings of an NRC team that inspected the Indian Point Unit 2 (IP2) nuclear power plant earlier this year. The multidisciplinary team of 14 inspectors carried out the inspection over the course of about two months, with a total of three weeks of on-site reviews. The inspection was conducted in response to the plant's designation as a facility with "multiple degraded cornerstones," or indicators of declining performance. The results of the inspection indicate that IP2 is being operated safely. However, the team identified problems at IP2 in the areas of design control, human and equipment performance, problem identification and resolution, and emergency preparedness. While performance improvements were noted, progress has been slow overall, indicating the need to maintain, and in some areas accelerate, the licensee's ongoing performance improvement program.

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

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2. Tasking Memorandum

cc: Senator Harry Reid

May 1, 2001

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

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Richard A. Meserve

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1. Monthly Report
2. Tasking Memorandum

MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

March 2001

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¹Note: The period of performance covered by the report includes activities occurring between the first and last day of the month (e.g., March 31, 2001). The transmittal letter to Congress accompanying this report may provide more recent information in order to keep Congress fully and currently informed of NRC's licensing and regulatory activities.

VI. Implementing Risk-Informed Regulations

The staff continues to make progress on tasks involving use of probabilistic risk information in many areas. The milestone schedule for the more significant risk-informed activities are included in the Commission Tasking Memorandum (Enclosure 2 to the letter from Richard A. Meserve, NRC Chairman, forwarding the March 2001 monthly report to Congress on the status of NRC licensing and regulatory duties). The following activity has seen substantial progress since the last report.

Risk-Informed Regulation Implementation Plan

In SECY-00-0213, "Risk-Informed Regulation Implementation Plan," dated October 26, 2000, the staff provided the Commission with the first complete version of the Risk-Informed Regulation Implementation Plan (RIRIP) and described internal and external factors that may impede the implementation of risk-informed activities. The RIRIP contains (1) a statement of objectives and their relevance to the probabilistic risk assessment policy statement and the agency's strategic plan; (2) a set of criteria and a process for deciding what to risk-inform; (3) guidelines for risk-informed activities; (4) a summary of activities planned to implement the risk-informed regulatory strategies that are described in the agency's strategic plan; (5) a description of an internal communications plan for soliciting and considering staff input and feedback on the agency's plan and progress toward implementing risk-informed regulatory initiatives; and (6) a description of a training program to ensure that the staff has the knowledge and skills needed to implement risk-informed regulations.

On January 4, 2001, the Commission issued a staff requirements memorandum on SECY-00-0213 that directed the staff to continue to refine the RIRIP to clearly identify the priorities of the activities; the resources needed for the various activities; the tools that need to be developed; and the items that are critical path and have cross-cutting dimensions. In particular, the Commission directed the staff to examine the plan to identify and include missing items that should be part of a comprehensive risk-informed strategy.

On March 15, 2001, the staff held a public workshop to provide an opportunity for a discussion of the RIRIP. The staff had issued a notice of availability and request for public comment on the RIRIP on December 21, 2000. The focus of this workshop was on activities associated with regulating nuclear reactors, however, general comments on the RIRIP were also discussed. The staff intends to incorporate many of the suggestions received during the workshop in the next version of the RIRIP this summer.

II. Revised Reactor Oversight Process

The NRC commenced initial implementation of its Reactor Oversight Process (ROP) at commercial nuclear plants in April 2000. It has continued meeting with interested stakeholders on a periodic basis to collect feedback on the efficacy of the process and consider this feedback in making refinements to the ROP. Recent activities include:

- a. The Inspection Program Branch (IIPB) conducted another of a continuing series of public meetings on March 1-2, 2001, with industry's Reactor Oversight Process (ROP) working group. Key issues discussed included: conduct of the external lessons learned workshop including the Nuclear Energy Institute's Federal Register Notice submittal on

suggested discussion topics, revising and piloting selected performance indicators, and reviews of frequently asked questions (FAQs).

- b. On March 6-8, 2001, the IIPB staff conducted an ROP internal lessons learned workshop. The workshop included participation by regional Division of Reactor Projects and Division of Reactor Safety Directors to discuss 11 key issues raised during the first year of ROP implementation. At this workshop, NRC regional management sponsors and lead staff members led discussions on the specific ROP-related issues, proposed recommendations to address these issues, and issues to be considered for discussion in the lessons learned public workshop.
- c. On March 26-28, 2001, the IIPB conducted an ROP lessons learned public workshop. The purpose of the workshop was to bring together industry, the public, and the NRC to discuss, review, and develop recommendations associated with key issues raised during the first year of ROP implementation. The workshop included participation by NRC managers and staff, public interest groups, industry, State officials, and the public. The workshop consisted of sessions addressing issues associated with reactor safety performance indicators, fire protection, radiation safety, cross-cutting areas, problem identification and resolution inspections, physical protection, maintenance effectiveness, assessment and enforcement, and public communications. These issues were discussed in detail with workshop participants during breakout sessions including discussion of NRC proposed resolutions. The staff is taking actions to resolve issues that were identified during the workshop.

III. Status of Issues in the Reactor Generic Issue Program

Resolution of issues in the Reactor Generic Issue Program continues to be on track in accordance with the existing schedules. There have been no changes in the status or resolution dates for Generic Safety Issues since the February 2001 report.

IV. Licensing Actions and Other Licensing Tasks

Licensing actions are defined as requests for: license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 2001 NRC Performance Plan incorporates three output measures related to licensing actions. These are: number of licensing action completions per year, age of the licensing action inventory, and size of the licensing action inventory.

Other licensing tasks are defined as: licensee responses to NRC requests for information through generic letters or bulletins, NRC responses to 2.206 petitions, NRC review of licensee topical reports, NRR responses to regional requests for assistance, NRC review of licensee 10 CFR 50.59 analyses and FSAR updates, or other licensee requests not requiring NRC review and approval before it can be implemented by the licensee. The FY 2001 NRC Performance Plan incorporates one output measure related to other licensing tasks. This is: number of other licensing tasks completed.

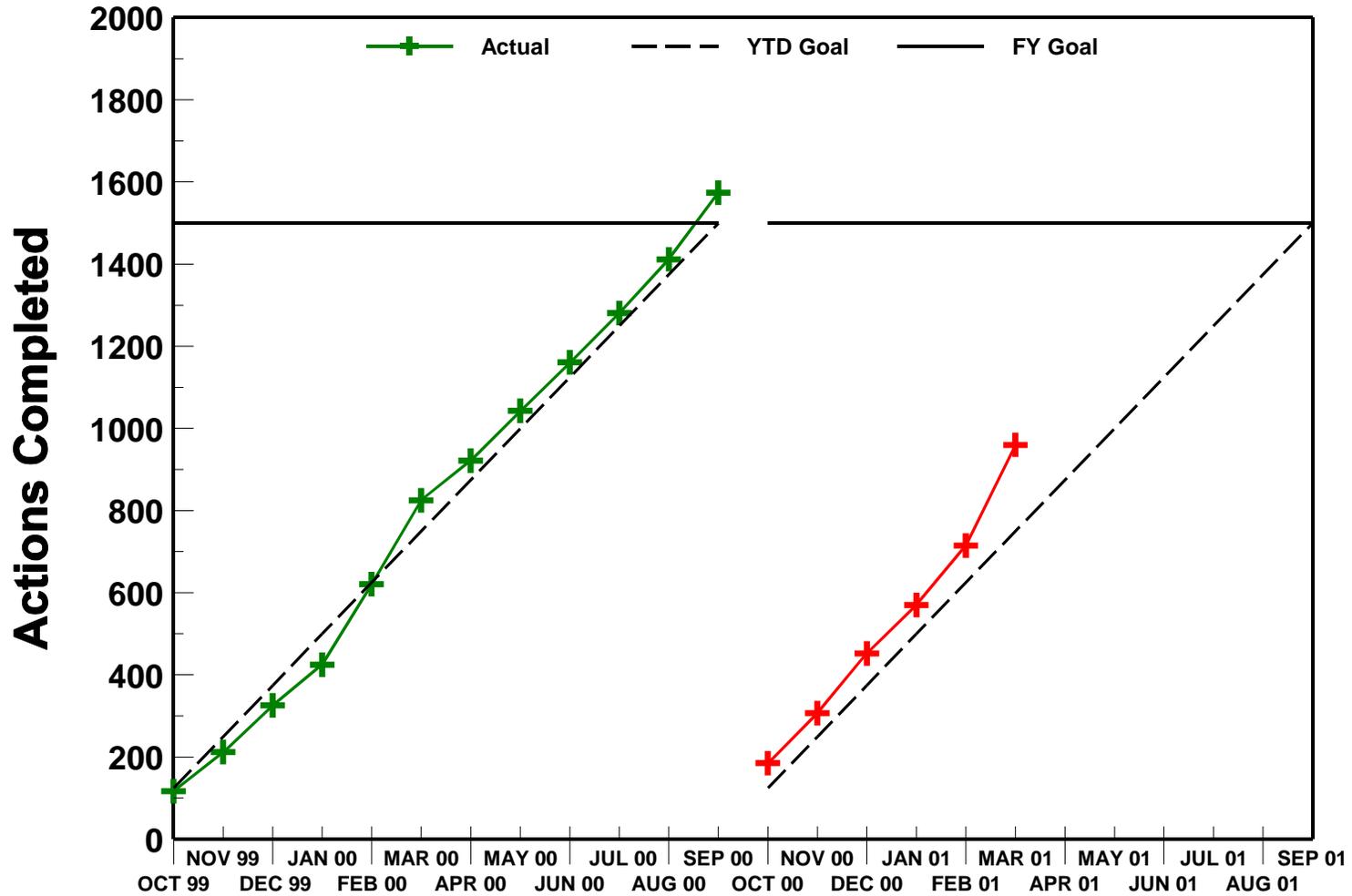
The actual FY 1999 and FY 2000 results, the FY 2001 goals and the actual FY 2001 results, as of March 31, 2001, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Goals	FY 2001 Actual (thru 03/31/2001)
Licensing actions completed	1727	1574	≥ 1500	960
Age of licensing action inventory	86.2% ≤ 1 year; and 100% ≤ 2 years	98.3% ≤ 1 year; and 100% ≤ 2 years	95% ≤ 1 year and 100% ≤ 2 years old	93.7% ≤ 1 year; 99.9% ≤ 2 years
Size of licensing action inventory	857	962	≤ 650	824
Other licensing tasks completed	939	1100	≥ 675	313

The following charts demonstrate NRC's FY 2001 trends for the four licensing action and other licensing task output measure goals.

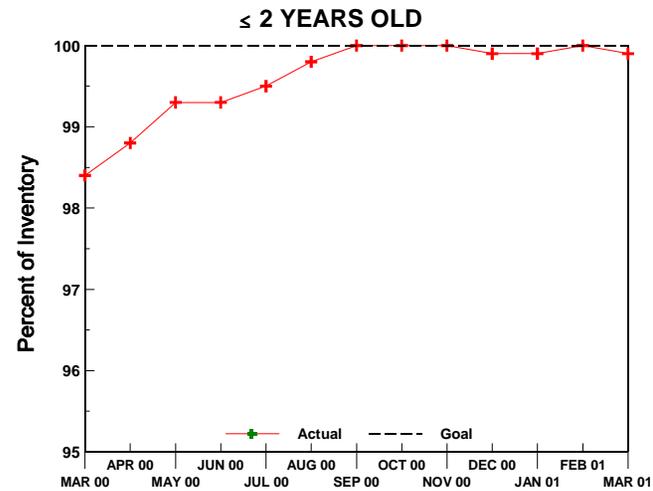
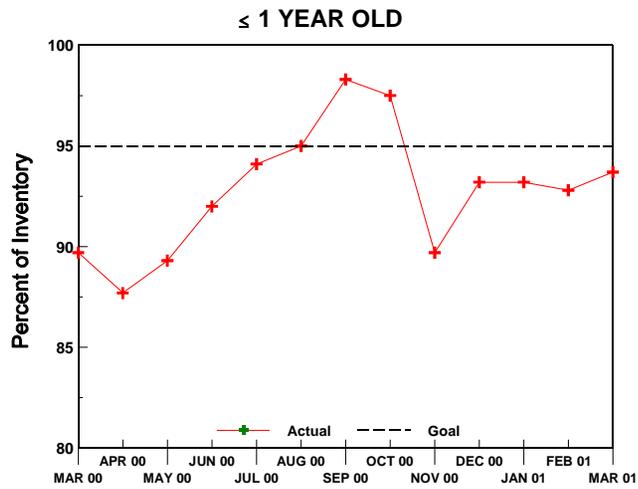
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



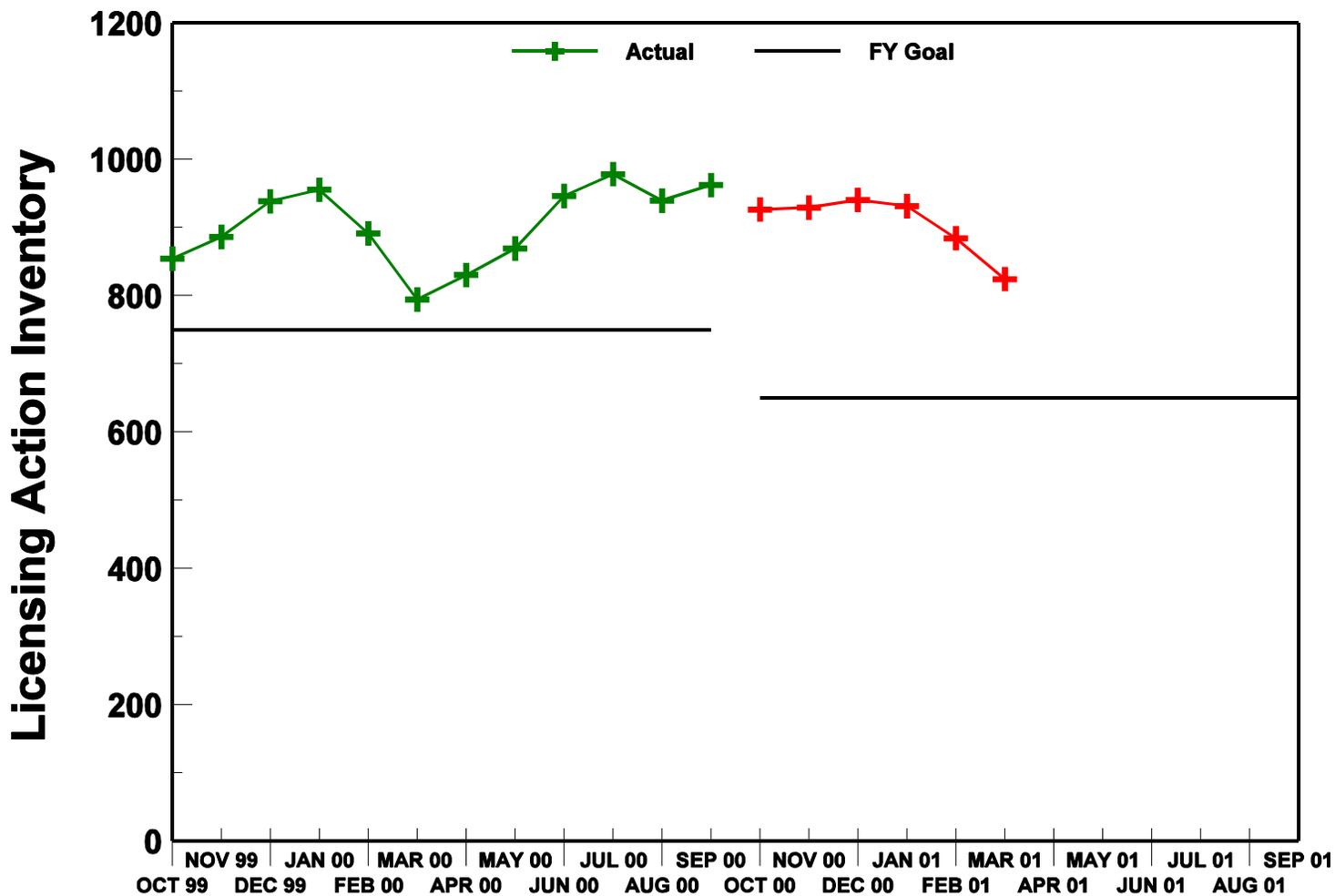
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



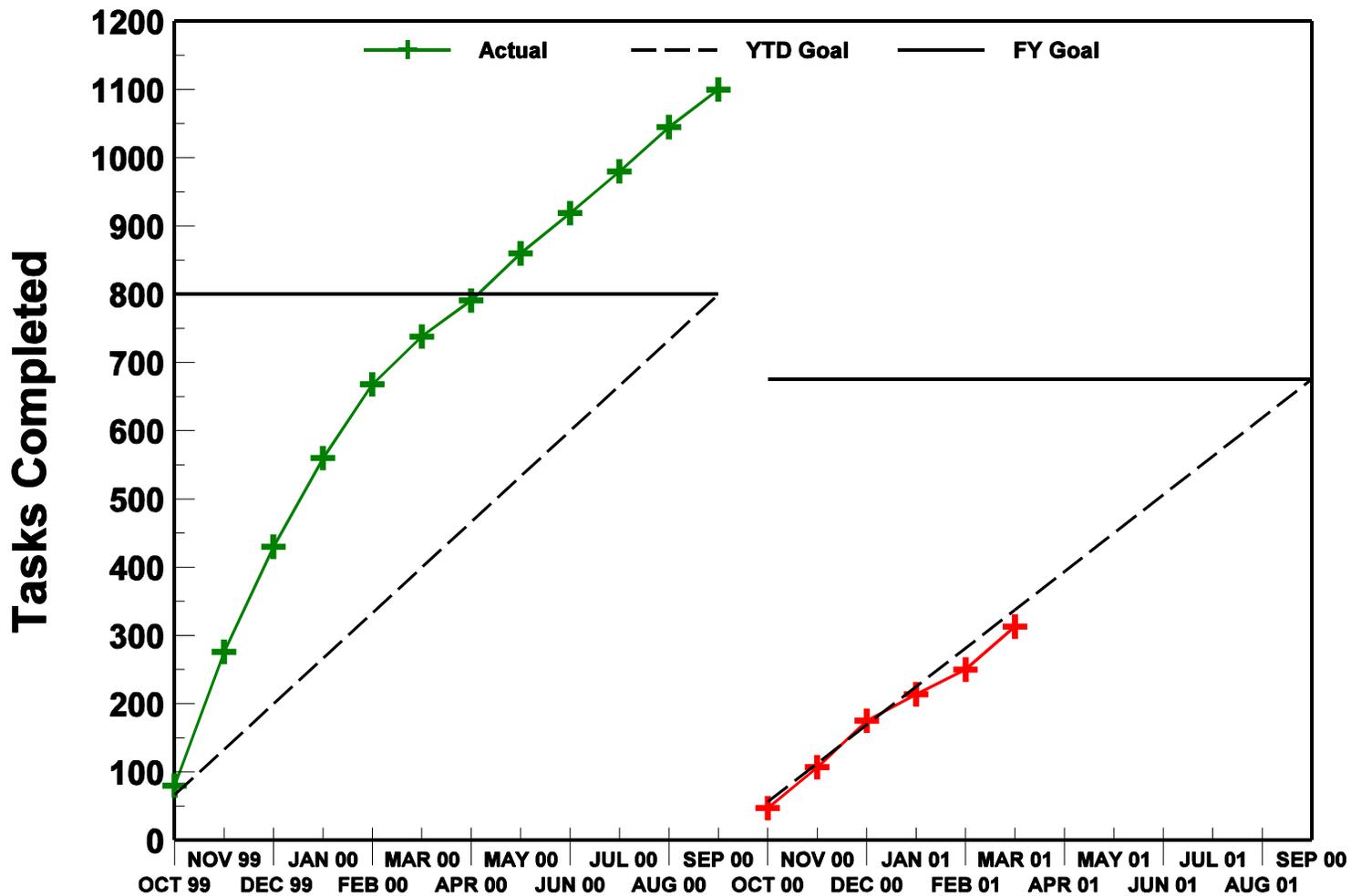
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Calvert Cliffs Renewal Application

The renewed licenses for Calvert Cliffs were issued on March 23, 2000, completing the NRC's review of the license renewal application.

Oconee License Renewal Application

The renewed licenses for Oconee Units 1, 2, and 3 were issued on May 23, 2000, completing the NRC's review of the license renewal application.

Arkansas Nuclear One, Unit 1, Renewal Application

The review of the Arkansas Nuclear One, Unit 1 (ANO-1), renewal application is proceeding ahead of schedule. Based on the lessons learned and implemented by the applicant and NRC staff from the Oconee Nuclear Station license renewal (a similar plant to ANO-1), the safety evaluation report was issued with only six non-safety-significant open items on January 10, 2001. The open items have been resolved and the final safety evaluation report was issued on April 12, 2001, 5 months ahead of schedule. The final supplemental environmental impact statement has been issued. A Commission decision regarding issuance of the renewed license could be made as early as June 2001, eight months ahead of the previous schedule.

Hatch, Units 1 and 2, Renewal Application

The review of the Hatch renewal application is on schedule. The staff issued the safety evaluation report identifying open items in February 2001. The NRC staff and the applicant are working to resolve the open items and issue the completed report by October 2001.

The draft supplemental environmental impact statement was published for public comment in November 2000 and the public comment period ended in January 2001. The staff is currently addressing the comments received and preparing to issue the final supplemental environmental impact statement by July 2001.

Turkey Point, Units 3 and 4, Renewal Application

The review of the Turkey Point renewal application is on schedule. All safety and environmental requests for additional information (RAIs) were issued. The applicant is scheduled to provide responses to the environmental RAIs by March 2001 and the safety RAIs by April 2001.

Two requests for hearing were received in response to the public notice of an opportunity for hearing and an Atomic Safety and Licensing Board Panel (ASLB) was convened to consider the requests. The ASLB held a prehearing conference with the petitioners, applicant, and staff in Homestead, Florida, on January 18, 2001. In an order dated February 26, 2001, the Board ruled that both parties have standing to intervene, however, neither petitioner identified admissible contentions. Therefore, the Board concluded that the intervention petitions were denied and the hearing proceedings terminated. By letter dated March 19, 2001, one petitioner has filed an appeal of the ASLB's decision.

VI. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

During this reporting period, the NRC staff requested additional information from the applicant, Private Fuel Storage Limited Liability Company (PFS), regarding the probability of accidents involving military aircraft in the area of the site of the proposed Private Fuel Storage Facility. The area includes the reservation of the Skull Valley Band of Goshute Indians and nearby Skull Valley, Utah. In January, PFS submitted new information on this subject to the staff in the form of an amendment to its license application.

The applicant submitted another license amendment including new geotechnical information on April 3, 2001. If the April 3 submittal is complete and accurate, the NRC staff believes it could complete its review of the submittal and issue a supplement to the Safety Evaluation Report, if necessary, by the end of July 2001.

The team composed of the NRC staff (lead agency) and the three other Federal agencies cooperating in the development of the Environmental Impact Statement (the Surface Transportation Board and the U.S. Department of the Interior's Bureau of Indian Affairs and Bureau of Land Management) completed development of the Final Environmental Impact Statement (EIS) during this reporting period. The document is now undergoing final legal and management reviews. The Final EIS will not be released until the four agencies have determined whether the new geotechnical and military aircraft information changes any conclusions reached in the document. A supplement to the Final EIS would have to be prepared if there are substantial changes to the proposed action that are relevant to environmental concerns or if there are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action.

Litigation in the adjudicatory proceeding on the PFS application continued during this reporting period as follows: (1) the Commission affirmed the Atomic Safety and Licensing Board's (ASLB) partial initial decision on emergency planning issues, resolving contested emergency planning issues in favor of the Applicant; (2) the parties filed briefs before the NRC concerning the State of Utah's challenge to the Applicant's request for an exemption from NRC's seismic regulatory requirements; (3) the hearings on remaining safety and environmental contentions have been deferred until November-December 2001, due to the Applicant's submission of new aircraft crash information and its scheduled submission of new geotechnical information, and the NRC staff's need to review that information prior to taking a final position on those issues and publication of the Final EIS; (4) the State of Utah and NRC staff responded to the Applicant's motion for summary disposition of an environmental contention concerning the "no action" alternative; and (5) the ASLB has under consideration the State of Utah's motion to admit late contentions on transportation and Hill Air Force Base issues.

VII. Summary of Reactor Enforcement by Region

Reactor Enforcement by Region

		Reactor Enforcement Actions*				
		Region I	Region II**	Region III	Region IV**	TOTAL
Severity Level I	Feb 2001	0	0	0	0	0
	FY 2001 YTD	0	0	0	0	0
	FY 00 Total	0	0	0	0	0
	FY 99 Total	0	0	0	0	0
Severity Level II	Feb 2001	0	0	0	0	0
	FY 2001 YTD	0	0	0	0	0
	FY 00 Total	1	2	0	0	3
	FY 99 Total	5	0	2	0	7
Severity Level III	Feb 2001	0	0	0	0	0
	FY 2001 YTD	0	1	0	0	1
	FY 00 Total	5	0	4	4	13
	FY 99 Total	9	2	7	8	26
Severity Level IV	Feb 2001	0	0	0	0	0
	FY 2001 YTD	0	0	0	1	1
	FY 00 Total	4	1	3	5	13
	FY 99 Total	52	42	57	60	211
Non-Cited Severity Level IV & Green	Feb 2001	5	0	4	0	9
	FY 2001 YTD	111	48	86	53	303
	FY 00 Total	313	190	289	258	1050
	FY 99 Total	343	267	334	305	1249

Escalated Reactor Enforcement Actions Associated with the Revised Reactor Oversight Process*						
		Region I	Region II**	Region III	Region IV**	Total
NOVs related to white, yellow or red findings	Feb 2001 -Red	0	0	0	0	0
	-Yellow	0	0	0	0	0
	-White	0	1	1	0	2
	FY 2001 YTD	2	3	1	1	7
	FY 00 Total	6	1	0	0	7

*Numbers of violations are based on enforcement action tracking system (EATS) data that may be subject to minor changes following verification. The number of Severity Level I, II, III listed refers to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

** Violation totals for Regions II & IV reflect a shift from a 6 week inspection period to a quarterly inspection period.

Description of Significant Actions taken in February 2001

Nuclear Management Company, LLC (Prairie Island Nuclear Power Plant) EA 00-282

On February 20, 2001, a Notice of Violation was issued for a violation associated with a white significance determination process (SDP) finding involving the potential inability of the deep cooling water (service water) pumps to perform their intended safety function. The violation was based on the licensee's failure to ensure that design control measures would verify the adequacy of the design and would assure that appropriate quality standards were specified.

Carolina Power & Light Company (Shearon Harris Nuclear Power Plant) EA 00-263

On February 2, 2001, a Notice of Violation was issued for a violation associated with a white SDP finding involving the inoperability of the charging/safety injection pump (CSIP). The violation was based on the licensee's failure to maintain operability of the CSIP in accordance with the technical specifications.

VIII. Power Reactor Security Regulations

Based on directions given by the Commission in the Staff Requirements Memoranda dated June 29, 1999, November 22, 1999, and April 12, 2000, the staff has been involved in a project to re-evaluate and revise its regulations pertaining to security at power reactor facilities. This project is an outgrowth of the staff's recommendation in May 1999, to institute a requirement for licensees to conduct periodic exercises to test the capability of their security organizations to protect against the design basis threat (SECY-99-024, "Recommendations of the Safeguards Performance Assessment Task Force," January 22, 1999). Following this paper, the staff recommended that a comprehensive review of the power reactor security regulations (10 CFR 73.55) be undertaken, including a new requirement for exercising the capability of

security organizations to protect against the design basis threat (SECY-99-241, "Rulemaking Plan, Physical Security Requirements for Exercising Power Reactor Licensees' Capability to Respond to Safeguards Contingency Events," October 5, 1999). The Commission approved these recommendations and directed the staff to undertake the project.

The staff conducted a series of public meetings to ensure that external stakeholders had an opportunity to provide input to the process. The staff developed several position papers while drafting a proposed rule, including one which defined the approach the staff intended to take in the rulemaking. This approach included the use of performance criteria and critical safety functions as the basis for the rule (SECY-00-0063, "Staff Re-Evaluation of Power Reactor Physical Protection Regulations and Position on a Definition of Radiological Sabotage," March 9, 2000). This approach was approved by the Commission and the staff was directed to publish SECY-00-0063 in the Federal Register and invite public comments. The staff has completed its evaluation of the public comments and incorporated issues raised in these comments into the proposed performance objectives for the exercise rule. The staff's proposal was provided in an information paper for the Commission (SECY-01-0023, "Public Comments on SECY-00-0063, Re-Evaluation of Power Reactor Physical Protection Regulations and Position on a Definition of Radiological Sabotage," and "Staff Review of Industry-recommended Safeguards Performance Assessment Program," February 5, 2001). The paper included an outline of the status of several significant safeguards initiatives. The final performance criteria will be submitted to the Commission for approval in the proposed rulemaking by May 2001.

In addition to the above effort, considerable attention has been paid to related issues surrounding the conduct of the Operational Safeguards Response Evaluation (OSRE) program. The OSRE program is NRC's current program for performance exercises conducted at nuclear power plants. The industry has developed a Safeguards Performance Assessment (SPA) pilot program to test concepts for the exercise portion of the new 10 CFR 73.55. The staff has interacted extensively with stakeholders on this program and expects to pilot the SPA program while the rulemaking, including the exercise requirement, is being processed. Lessons learned from the SPA will be incorporated into the final rulemaking. To date, four public meetings were held to discuss the SPA program. The most recent of these meetings, held December 13, 2000, discussed the final SPA guidance document and details regarding the proposed pilot program.

The staff continues to conduct scheduled OSREs in accordance with Inspection Procedure 81110 which provides details on adversary characteristics, and a memorandum to all regional offices which provides guidance on critical issues in the scheduling and conduct of OSREs.

On January 25, 2001, the Commission approved use of the staff's recommended interim revision to the Physical Protection Significance Determination Process (PPSDP), which addresses issues associated with application of the pre-existing PPSDP. In the reactor oversight program, the significance determination process is used to determine significance of findings and the appropriate action to be taken, including additional oversight. The staff plans to formally revise the PPSDP in a process involving all stakeholders.