

August 30, 2001

MEMORANDUM TO: Glenn M. Tracy, Chief
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Division of Inspection Program Management
Office of Nuclear Reactor Regulation

FROM: Vonna Ordaz, Chief */RA/*
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SUBJECT: MINUTES OF THE JULY 11, 2001, PUBLIC MEETING WITH THE
NUCLEAR ENERGY INSTITUTE (NEI) AND OTHER STAKEHOLDERS
ON IMPLEMENTATION OF THE SAFEGUARDS PERFORMANCE
ASSESSMENT (SPA) PROGRAM

On July 11, 2001, NRC staff held a public meeting that was attended by representatives from the Nuclear Energy Institute (NEI), the nuclear industry, and other stakeholders. The purpose of the meeting was to discuss the Safeguards Performance Assessment (SPA) Pilot Program Toolbox and other program implementation details.

NRC staff opened the meeting with introductions and a review of the meeting agenda. Topics of discussion included:

1. An update by NRC staff of current Reactor Safeguards initiatives.
 - a. The Adversary Characteristics Document (ACD) Commission paper (SECY-01-0015) is currently under Commission deliberation.
 - b. Proposed rulemaking for 10 CFR 73.55 is currently under Commission deliberation. SECY-01-0101 was released to the public on June 14, 2001.
 - c. The SPA Commission paper (SECY-01-0060) has been completed and the Commission has responded in a Staff Requirements Memorandum (SRM) dated July 5, 2001, which approved the conduct of a one-year pilot program while continuing with Operational Safeguards Response Evaluations (OSREs). NRC staff distributed a slide with highlights of the SPA SRM (SECY-01-0060) and an action plan for the SPA Pilot Program (Attachment 1), a copy of SECY-01-0060 (Attachment 2), and a copy of the July 5, 2001 SRM (Attachment 3).

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2. Discussion of the proposed rulemaking.

NEI requested additional information from NRC staff on two parts of the proposed rulemaking. The first was the definition of core damage. NEI questioned the definition of core damage in the proposed rule and asked why the 10 CFR Part 100 release criterion was not the standard chosen for the proposed rule. NRC staff explained the history of the term, how it was used, the discussion of the issue in various published SECY papers and the term used in a November 17, 2000 memorandum to the Regional Offices entitled "Conduct, Agenda, and Rules of Engagement for Operational Safeguards Response Evaluations." In discussing the history of this issue, the staff reiterated its concerns with using the Part 100 standard described in SECY-01-0101 (dated June 4, 2001), concluding "that such a standard was not sufficiently conservative and it would be difficult to design a security program that would ensure that core damage, once initiated, would not exceed the Part 100 standards." Another stakeholder added that Three Mile Island sustained core damage during the 1979 event which resulted in a release of less than 25 rem, but no one would call that accident a success story and the public would not tolerate that standard (for security). NEI referred back to the goal of protection of the public and methods of reaching that goal, and speculated that protection against core damage is not necessarily a standard needing codification, saying that the industry would do so regardless of the rule because it made good business sense.

The second request of NEI was to clarify the terms from the proposed rule: "vital components," "any mode of operation," and the word "minimum" when used in the definitions of vital components and target sets. A discussion ensued in which NRC staff reviewed the terms and how they are used in the proposed rule, giving licensees flexibility in determining vital components for the individual sites versus the current method. The industry expressed interest in a regulation that acknowledges out-of-service periods for vital components, likening it to out-of-service time allowed for other equipment in operating plants. However, other stakeholders disagreed, saying that equipment that could sustain tampering events by insiders should not have "outage times."

3. Implementation details of the SPA Program.

The SPA Program described in SECY-01-0060 (Attachment 2), and the SRM dated July 5, 2001 (Attachment 3) were discussed. The discussion centered around Commission approval of the one-year pilot program and details regarding enforcement and scheduling. The staff explained that licensees participating in the SPA program would not be subject to enforcement based on results of evaluated exercises, but they would be subject to the Significance Determination Process. One stakeholder noted that plants with security weaknesses might see participation in the SPA program as more "lenient" than being required to participate in the OSRE, would have no pressure for increased performance, and the SPA evaluated exercises might be less challenging than OSRE. Others speculated that the reduction in OSREs could result in a reduction in public health and safety. It was pointed out that the agency would be adding eight SPA evaluated exercises to the six OSREs already scheduled, creating increased opportunities to evaluate security programs, and baseline inspections would continue.

In addition, if a licensee removed itself from the SPA program before its evaluated exercise, it would become eligible for the scheduling of an OSRE under the current NRC guidance. A stakeholder suggested that the NRC accept the prior offer from an NEI representative of doing both an OSRE and SPA evaluated exercise at one site, although it was pointed out that the industry would need time to assess the recently published NRC documents on the SPA program before finalizing the exercise participants. The next NEI working group meeting is on July 25, 2001, with SPA as the focal point.

There was a constructive discussion on the subject of cable trays as a specific target, which was discussed in SECY-01-0060. The staff and NEI have been of varying opinion on whether/when cable trays should be part of a target set. The staff reiterated their position in that cable trays must be considered as target sets because an adversary intending to render specific cables inoperable would likely opt to destroy the entire tray or area instead of spending time identifying individual cables. The discussion ended with NRC staff, NEI and industry representatives understanding and agreeing when consideration of cable trays is integral to target set identification.

Stakeholders expressed continued discomfort with the reduction in the number of OSREs from eight to six and questioned how public safety would be ensured when OSRE has a failure rate of 47.5%. This generated some discussion about the percentage quoted. Also, the perceived program deficiency in SPA was raised, in that it does not conduct exercises in other modes of operation, various times of day, etc. The staff acknowledged that these are issues for both SPA and OSRE, needing to be resolved in future meetings, and noted that SPA is under development by the industry, but the OSRE program should consider this in addition to addressing spent fuel/spent fuel pools, etc., but that before doing so, agency policy would be considered.

4. Review of NEI SPA Toolbox

NRC staff reviewed the NEI "SPA Toolbox" with stakeholders and industry representatives. The toolbox consists mostly of several site-specific implementation procedures for NEI 99-07. The staff stressed the need for one generic procedure that meets the requirements of NEI 99-07, and includes the issues resolved in the last two meetings. The staff expressed a desire to receive the generic procedure in order to factor pertinent information into the SPA pilot temporary instruction. The procedure should also address NRC interface during the SPA pilot program.

5. NRC SPA Temporary Instruction

The agency is in the process of completing a temporary instruction (draft for use) for the SPA pilot program, using the four success criteria from the SECY paper. The inspection team will be lead by regional inspectors with headquarters personnel providing oversight.

6. Results of SPA

Results from SPA will be published as permissible, considering safeguards information. Discussions may be at the sites, subsequent to evaluations, or in headquarters offices. Periodic reviews of the program will also be conducted.

7. Action Items from Meeting

- a. The agency will finalize the FY02 OSRE inspection schedule and share it with stakeholders.
- b. NEI will review the SPA Toolbox and amalgamate the procedures into one generic implementation procedure.

The above information and the attached documents were shared and discussed between NRC staff, NEI representatives, industry representatives, and other public members. Attendees of the July 11, 2001, meeting are listed in Attachment 4 to this memorandum.

Attachments: As stated

Adams Accession #:	Meeting Minutes	ML# 012490193
	Attachment 1 Meeting Slides	ML# 012490211
	Attachment 2 SECY 01-0060	ML# 010320447
	Attachment 3 SRM July 5, 2001	ML# 011870558
	Attachment 4 Attendees	ML# 012490231

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7. Action Items from Meeting

- c. The agency will finalize the FY02 OSRE inspection schedule and share it with NEI.
- d. NEI will review the SPA Toolbox and amalgamate the procedures into one generic implementation procedure.

The above information and the attached documents were shared and discussed between NRC staff, NEI representatives, industry representatives, and the public. Attendees of the July 11, 2001, meeting are listed in Attachment 4 to this memorandum.

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Distribution of minutes:

(attachments distributed at meeting)	RSS r/f
Nuclear Energy Institute	John White, Region I
Nuclear Control Institute	Ken Barr, Region II
Nuclear Information & Research Service	Jim Creed, Region III
SERCH Bechtel	Gail Good, Region IV
Union of Concerned Scientists	Alan Madison, NRR

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