

2 ORGANIZATION AND ADMINISTRATION

2.1 PURPOSE OF REVIEW

The purpose of the review of the applicant's organization and administration is to ensure that the proposed management policies will provide reasonable assurance that the licensee plans, implements, and controls site activities in a manner that ensures the safety of workers, the public, and the environment. The review also ensures that the applicant has identified and provided adequate qualification descriptions for key management positions.

2.2 RESPONSIBILITY FOR REVIEW

Primary: Licensing Project Manager

Secondary: None

Supporting: Primary Reviewers for other SRP Chapters (e.g., technical area chapters and management measures chapters) and the Fuel Facility Inspection Staff

2.3 AREAS OF REVIEW

The organizational structure and associated administrative program proposed by the applicant should include administrative policies, procedures and management policies, qualifications of key management positions, and describe how these will provide reasonable assurance that the health, safety, and environmental (HS&E) protection functions will be effective.

For new facilities, or already licensed facilities undergoing major modifications, to ensure that all HS&E functions and standards are met, the applicant should describe the comprehensive management policies and procedures that will be used to manage and closely monitor the facility design, engineering, and construction.

The application should address how the management policies ensure the establishment and maintenance of design and operations. The administrative and management policies should describe the relationships among major facility safety functions such as the ISA, management measures for items relied on for safety (IROFS), radiation safety, nuclear criticality safety, fire safety, chemical safety, environmental monitoring, and emergency planning. The applicant should also describe its qualification criteria with regard to education, training, and experience for key management positions. Management positions for which such criteria should be described include the facility manager, operations manager, shift supervisor, and managers for various safety and environmental disciplines. Alternative named management positions could be proposed. Qualification criteria should be described generally, in terms of academic credentials, formal continuing education, and work experience. For example, "...bachelor's degree in nuclear engineering or related scientific or engineering field, with 5 years experience managing the operations of a nuclear fuel manufacturing facility."

2.4 ACCEPTANCE CRITERIA

2.4.1 Regulatory Requirements

10 CFR Part 70.22, 70.23, and 70.62(d) require a management system and administrative procedures for the effective implementation of HS&E functions concerning the applicant's corporate organization, qualifications of the staff, and adequacy of the proposed equipment, facilities, and procedures to provide adequate safety for workers, the public, and the environment.

2.4.2 Regulatory Guidance

There are no regulatory guides specific to the organization and administration description of fuel cycle facilities.

2.4.3 Regulatory Acceptance Criteria

The application is acceptable if the following criteria are met. Appropriate commitments relevant to these criteria should be included in the applicant's safety program description.

New Facilities or Facilities Undergoing Major Modifications (In addition to the criteria listed below for existing facilities):

- (1) The applicant has identified and functionally described the specific organizational groups that are responsible for managing the design, construction, and operation of the facility. The application also includes organizational charts.
- (2) Clear, unambiguous management controls and communications exist among the organizational units that are responsible for managing the design and construction of the facility.
- (3) The personnel responsible for managing the design, construction, and operation of the facility have substantive breadth and level of experience and are appropriately available. The qualifications, responsibilities, and authorities for key supervisory and management positions with HS&E responsibilities are clearly defined in position descriptions that are accessible to all affected personnel and to the NRC, upon request.
- (4) The applicant has described specific plans to commission the facility's startup and operation, including the transition from the startup phase to operations under the direct supervision of the applicant's personnel responsible for safe operations.

Existing Facilities:

- (1) The applicant has identified and functionally described the specific organizational groups responsible for operating the facility and managing the development of design changes to the facility. The application also includes organizational charts.
- (2) The qualifications, responsibilities, and authorities of key supervisory and management positions with HS&E responsibilities are clearly defined in position descriptions that are accessible to affected persons and to the NRC, upon request.

- (3) In the organizational hierarchy, the HS&E organization(s) is independent of the operations organization(s), allowing it to provide objective HS&E audit, review, or control activities. "Independent" means that neither organization reports to the other in an administrative sense. (However, both may report to a common manager.) Lines of responsibility and authority are clearly drawn.
- (4) The individual delegated overall responsibility for the HS&E functions has the authority to shut down operations if they appear to be unsafe and in that case, must approve restart of shutdown operations.
- (5) The activities that are essential for effective implementation of the HS&E functions are documented in formally approved, written procedures, prepared in compliance with a formal document control program.
- (6) The applicant should commit to a simple mechanism, available for use by any person in the plant, for reporting potentially unsafe conditions or activities to the HS&E organization. Reported concerns should be promptly investigated, assessed, and resolved.
- (7) Effective lines of communication and authority among the organizational units involved in the engineering, HS&E, and operations functions of the facility are clearly defined.
- (8) The applicant has committed to establish formal management measures required to ensure the availability and reliability of IROFS. Management measures are detailed in Chapter 11 of this SRP.
- (9) Written agreements exist with offsite emergency resources such as fire, police, ambulance/rescue units, and medical services. This is addressed in more detail in Chapter 7, "Fire Safety," and Chapter 8, "Emergency Planning," of this SRP.

The applicant's safety program description includes commitments relevant to meeting the acceptance criteria described above.

2.5 REVIEW PROCEDURES

2.5.1 Acceptance Review

The primary reviewer should evaluate the application to determine whether it addresses the "Areas of Review" discussed in Section 2.3, above. If the reviewer identifies significant deficiencies, the staff will request that the applicant submit additional material before the start of the safety evaluation.

2.5.2 Safety Evaluation

The primary reviewer should perform a safety evaluation with respect to the acceptance criteria described in Section 2.4. The objective of the review is to ensure that the corporate-level management and technical support structure, as demonstrated by organizational charts and descriptions of functions and responsibilities, are clear with respect to assignments of primary responsibility. The primary reviewer consults with the NRC inspection staff to verify that the applicant's management positions are adequately defined in terms of both numbers of persons

and their responsibilities, authorities, and required qualifications. The reviewer may visit the site, if considered necessary to discuss and verify implementation of the acceptance criteria with facility management.

On the basis of the foregoing, the supporting staff reviewers determine the overall acceptability of the applicant's management system, management qualifications, organizational structure, and administrative procedures. The reviewers should determine whether the acceptance criteria of Section 2.4 are satisfied, and then prepare an SER in accordance with Section 2.6.

2.6 EVALUATION FINDINGS

The staff's evaluation should verify that the license application provides sufficient information to satisfy the regulatory requirements of Section 2.4.1 and that the regulatory acceptance criteria in Section 2.4.3 have been appropriately considered in satisfying the requirements. On the basis of this information, the staff should conclude that this evaluation is complete. The reviewer should write material suitable for inclusion in the SER prepared for the entire application. The SER should include a summary statement of what was evaluated and the basis for the reviewers' conclusions. The staff can document the evaluation as follows:

The staff has reviewed the organization and administration for [name of facility] according to Chapter 2 of the Standard Review Plan.

[For new facilities] The applicant has described (1) clear responsibilities and associated resources for the design and construction of the facility and (2) its plans for managing the project. [Insert a summary statement of what was evaluated and why the reviewer finds the submittal acceptable.] The staff has reviewed these plans and commitments and concludes that they provide reasonable assurance that an acceptable organization, administrative policies, and sufficient competent resources have been established or are committed, to satisfy the applicant's commitments for the design and construction of the facility.

[For operating and new facilities] The applicant has described its organization and management policies for providing adequate safety management and management measures for the safe operation of the facility. [Insert a summary statement of what was evaluated and why the reviewer finds the submittal acceptable.] The staff has reviewed this information and concludes that the applicant has an acceptable organization, administrative policies, and sufficient competent resources to provide for the safe operation of the facility under both normal and abnormal conditions.

2.7 REFERENCES

U.S. Code of Federal Regulations, Title 10, Part 70, "Domestic Licensing of Special Nuclear Material," U.S. Government Printing Office, Washington, DC.

U.S. Nuclear Regulatory Commission, "Proposed Method for Regulating Major Materials Licensees," NUREG-1324, Sections 3.1, Organization Plan, and 3.2, Managerial Controls and Oversight, 1992.

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