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IMMEDIATE PLACEMENT IN THE PUBLIC DOMAIN**

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Do not include proprietary materials.*

DATE OF MEETING

02/20/2003

The attached document(s), which was/were handed out in this meeting, is/are to be placed in the public domain as soon as possible. The minutes of the meeting will be issued in the near future. Following are administrative details regarding this meeting:

| | |
|--|---|
| Docket Number(s) | <u>Proj 689</u> |
| Plant/Facility Name | <u>Nuclear Energy Institute</u> |
| TAC Number(s) (if available) | <u></u> |
| Reference Meeting Notice | <u>2/6/03</u> |
| Purpose of Meeting (copy from meeting notice) | <u>To discuss with NEI the outline for the construction</u> <u>inspection program framework document and 10 CFR</u> <u>Part 52 combined license issues.</u> |

| | |
|---|--|
| NAME OF PERSON WHO ISSUED MEETING NOTICE Joseph M. Sebrosky | TITLE Senior Project Manager |
|---|--|

OFFICE
NRR

DIVISION
NRLPO

BRANCH

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DF01

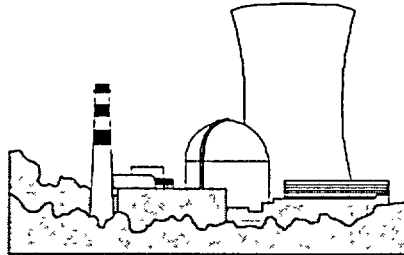
Agenda
February 20, 2003 Meeting
with NEI

- | | | |
|-----------|--|----------------|
| 1:30 p.m. | Introductory Comments | NEI/NRC |
| 1:40 p.m. | Overview of outline of construction inspection program framework document (ADAMS Accession Number ML023360479) | NRC |
| 2:00 p.m. | Discussion of framework document outline | NRC/NEI/Public |
| 2:30 p.m. | Identification and plans for addressing 10 CFR Part 52 combined license (COL) issues including the following: <ul style="list-style-type: none">- Response to September 11, 2002, staff requirements memorandum regarding programmatic ITAAC- Time frame for COL application- COL application guidance- COL reviewer guidance- Disposition of 10 CFR 52.103 hearing process comments- Status of 10 CFR Part 52 rulemaking- Status of regulatory infrastructure items listed in future licensing and inspection readiness assessment (FLIRA) report SECY-01-0188- Plans for next meeting | NRC/NEI |
| 3:15 p.m. | Public Comment | |
| 3:25 p.m. | Summary | |
| 3:30 p.m. | Adjourn | |

Contact:
Joseph M. Sebrosky, NRR
301-415-1132, jms3@nrc.gov

Attachment

New Reactor Construction Inspection Program and Combined License Issues



February 20, 2003
Michele Evans, IIPB
Joe Sebrosky, NRLPO

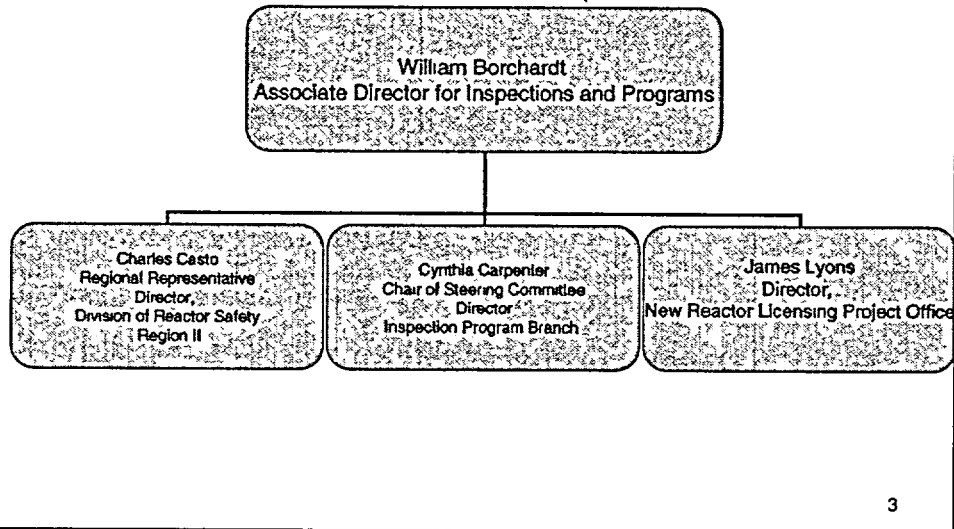
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Construction Inspection Program Organization

- Construction Inspection Program Steering Committee
- Construction Inspection Team
- Construction inspection framework document overview
 - December 20, 2002, letter to NEI with outline
- Combined License Issues and NRLPO Activities

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Construction Inspection Program Steering Committee



Construction Inspection Steering Committee

- Chaired by Director of IIPB
- Meets on a routine basis
- Monitors progress of the development of construction inspection program documents and issues
- As needed makes recommendations to management regarding the construction inspection program

Construction Inspection Team

- Team consists of members from headquarters and regional staff
- Led by IIPB
- Developed initial response to NEI's November 20, 2001, letter
- Met with NEI on June 25, 2002 to discuss CIP issues
- Developed December 20, 2002, letter with outline of framework document

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Construction Inspection Team

- Team Members include the following:
 - Michele Evans – team leader
 - Jim Isom – IIPB
 - Tom Foley – IIPB
 - Ed Kleeh – IIPB
 - Joe Sebrosky – NRLPO
 - Ken Heck - IEHB
 - Tony Cerne – Region I
 - Jerry Blake – Region II
 - Ron Gardner – Region III
 - Chuck Paulk – Region IV

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Overview of the Framework Document

- Purpose
 - Guiding document for updating construction inspection manual chapters (IMCs) and inspection procedures to support the 10 CFR Part 52 licensing processes
- December 20, 2002, letter has rough draft of outline
 - Identification of IMCs for 10 CFR Part 52 processes
 - Development of management tools and processes
 - Organizational considerations
- Final outline will look different

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Framework Document continued

- Request input from industry on the approach and input regarding proposed Appendix C – “Examples of New and Significant Information that Would Invalidate a Previous ITAAC Interim Conclusion”
- Document will not address the following
 - programmatic ITAAC (discussed later)
 - NEI’s comments regarding the 10 CFR 52.103 hearing process

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Framework Document Schedule

- Draft Available in April 2003
- Public Workshop Summer 2003
- Issue Final framework document by end of calendar year 2003

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Combined License Issues and NRLPO Activities

- NRLPO activities closely associated with CIP team
 - Director of NRLPO on steering committee
 - Member of NRLPO serves on the team
- NRLPO is the lead office for policy issues not associated with construction inspection activities. Examples include:
 - Interpretation of part 52 (e.g., 10 CFR 52.99)
 - COL license conditions contained in SECY-00-0092

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COL issues and NRLPO Activities (continued)

- NRLPO also the lead for response to programmatic inspections, tests, analyses, and acceptance criteria
 - Staff requirements memorandum dated September 11, 2002, provides Commission guidance
 - Staff to provide a report to the Commission by March 1, 2004
 - High priority for NRLPO to date little interaction with industry
- NRLPO will also take the lead for the following activities:
 - Primary interface with NEI on COL application issues
 - Status of Part 52 rulemaking
 - Status of regulatory infrastructure items

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COL issues – Status of 10 CFR Part 52

- SECY-02-0077 (May 8, 2002)
- NEI Petition 52-1
 - Use of information from prior licensing decisions as resolved for ESP and COL applications
- NEI Petition 52-2
 - Eliminate review of alternative sites, alternative energy sources and need for power
 - NEI supplemented petition December 2002

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COL Issues - Status of Regulatory Infrastructure

Potential Rulemakings/Regulatory Guidance

- Financial/Legal Issues (SECY-01-0207)
- Staff developing technical basis to support formal rulemakings
- Revise 10 CFR Part 51 Tables S-3 and S-4
 - RFPs expected by end of calendar year for scoping and planning
- Alternative Sites Rulemaking
 - Category 3 meeting January 2003
- 10 CFR Part 50 Appendix I Rulemaking
 - Category 3 meeting tentatively scheduled April 2003
- Security Requirements for new reactors Codes and Standards

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COL Issues

- COL reviewer guidance
 - Dependent on option chosen by applicant
 - Staff willing to discuss reviewer guidance options with stakeholders
- Industry lead
 - COL application guidance
 - Time frame for a COL application

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December 20, 2002

Mr. Ron Simard
Senior Director Business Services
Nuclear Energy Institute
1776 I Street, NW, Suite 400
Washington, DC 20006-3708

SUBJECT: DISCUSSION TOPICS FOR THE CONSTRUCTION INSPECTION
FRAMEWORK DOCUMENT

Dear Mr. Simard:

The purpose of this letter is to transmit information to you regarding the Nuclear Regulatory Commission (NRC) staff's plans for revising the construction inspection program. The staff would like to discuss with you and other interested stakeholders its plans for moving forward in this area.

As you know, Nuclear Energy Institute (NEI) provided a white paper on this topic in a November 20, 2001, letter, titled "ITAAC Implementation and Transition to Full Power Operations Under Part 52," (ADAMS Accession Number ML020070338). The staff provided initial working-level comments for this paper in a June 4, 2002, letter from James Lyons to you (ADAMS Accession Number ML021550137). The staff held a public meeting on June 25, 2002, to discuss the comments, which are documented in a meeting summary (ADAMS Accession Number ML022410269). To move forward in this area the staff is developing a construction inspection framework document that will discuss issues contained in these documents and will eventually be used as a road map by the staff for revising the NRC's construction inspection program. The staff intends to issue the document for public comment, schedule a public workshop, revise the document based on consideration of stakeholder comments, and then use the framework document as the guiding document for making changes to the NRC's construction inspection program.

The staff is in the initial stages of developing the framework document, and has created the enclosed draft outline for the document. The staff would like to meet with you and other interested stakeholders in late January or early February 2003 to discuss the enclosed outline and the path to move forward. The staff is especially interested in obtaining comments on Appendix C of the draft outline (i.e., NEI's perspective on examples of issues that would invalidate an NRC interim conclusion relative to inspections, tests, analyses, and acceptance criteria (ITAAC)).

The staff notes that the following two issues are not addressed in the framework document: 1) the staff's response to the Commission's staff requirements memorandum (SRM) dated September 11, 2002, regarding programmatic ITAAC and 2) NEI's comments contained in a November 20, 2001, letter regarding the hearing process. The staff intends to address the SRM separately and expects to work with stakeholders to address this issue. Regarding

comments on the hearing process, the staff believes that these comments are outside the scope of the framework document.

Please contact Thomas Foley, Senior Engineer, Inspection Program Branch, at 301-415-1036 to make arrangements for the meeting.

Sincerely,

IRA

Cynthia Carpenter, Branch Chief
Inspection Program Branch
Division of Inspection Program Management
Office of Nuclear Reactor Regulation

Enclosure: As stated

Draft Outline for Construction Inspection Program Framework Document

- I. Executive Summary
- II. Background
 - A. History
 - B. Lessons Learned
- III. Framework Overview
 - A. General
 - B. Regulations
 - C. Current Inspection Environment
- IV. Framework Implementation
 - A. Inspection Manual Chapter - Construction Inspection Program
 - B. Inspection Manual Chapter - Early Site Permit
 - C. Inspection Manual Chapter- Combined License (includes engineering design verification guidance & guidance for programs implemented prior to issuance of a COL)
 1. Introduction
 - 1.a Relationship to other inspection manual chapters
 - 1.b Operational Programs
 2. Implementation Issues
 - 2.a Scenarios
 - 2.b Procedural
 - 2.b.1 Engineering Design Verifications
 - 2.b.2 Quality Assurance
 - 2.b.3 Possibility of ITAAC being completed before a combined license is issued
 - 2.b.4 Programmatic inspections
 - 2.b.5 Site Preparation (limited work authorizations)
 - 2.c Organizational issues
 3. Discussion Topics
 - D. Inspection Manual Chapter - Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC)
 - 1 Background
 2. Process Timeline
 3. Inspection Activities
 - 3.a Phased inspections to support ITAAC interim conclusions (Sub-ITAAC Inspections)
 - 3.b Sign-as-you-go (SAYGO) process inspections
 - 3.c Interim ITAAC Conclusions
 - 3.d Commission ITAAC Finding In Accordance With 52.103(g)
 4. Implementation Issues
 - 4.a Procedural

Enclosure

- 4.a.1 Inspection Sampling
- 4.a.2 Interim Inspection Conclusions and followup
- 4.a.3 Public Notifications
- 4.a.4 Results of detailed AP600 and ABWR ITAAC to existing inspection procedure mapping
- 4.b Organizational
 - 4.b.1 NRC organization
 - 4.b.2 Construction Inspection Program Information Management System (CIPIMS)
- 5. Discussion Topics
- E. Inspection Manual Chapter - Transition to Reactor Oversight Process
 - 1. Pre fuel load (Operational Readiness Inspections prior to authorization to load fuel)
 - 2. Post fuel load (Transition to reactor oversight process)
 - 3. Discussion Topics

Figure 1 - Framework Overview Diagram

Figure 2 - Modular Construction Diagram

Figure 3 - Nuclear Power Plant Construction Schedule

Figure 4 - NRC Construction Organization Chart

Appendix A - ABWR Construction Example (At the ABWR being built in Taiwan there is a problem with the reactor pressure vessel pedestal welds. The team believes that this problem can be used as an example to illustrate how the CIP would handle such a problem if it were to occur in the U.S.)

Appendix B- Examples of New and Significant Information That Would Invalidate a Previous SAYGO Process Conclusion

Appendix C - Examples of New and Significant Information That Would Invalidate a Previous ITAAC Interim Conclusion

Appendix D - Results of detailed AP600 and ABWR ITAAC to existing inspection procedure mapping

NEI Generic COL Process and Construction Inspection Program Issues
Preliminary Listing – February 20, 2003

| COL/CIP Topic | Discussion/ Resolution "Vehicle" | Priority/Time Frame |
|---|--|------------------------|
| COL-1 1. Mechanism for documenting resolution of COL/CIP issues | | |
| COL-2 Clarification/enhancement of Part 52, including: a. Nature of NRC staff sign-offs under 52.99 (Ref. NEI 6/12/02 letter to Commission on SECY-00-0077) b. Integration with petition for rulemaking PRM-52-1 (avoiding duplicative review of valid, approved information) | Part 52 Update Rulemaking | |
| COL-3 COL application form and content (see attached outline) and COL review guidance, including: a. Necessary and sufficient operational program information; criteria for determining need for programmatic ITAAC (SECY-02-0067) b. Treatment of "COL Information Items" c. Guidance on PRA to be included in COL applications d. Emergency planning/EALs e. Associated regulatory infrastructure updates (rules/guidance) f. ESP/DC interface/confirmatory items | <ul style="list-style-type: none"> • NEI guideline document • NRC Review Standard? | |
| COL-4 Nominal NRC review timeline for COL and opportunities to reduce time to COL | | |
| COL-5 Pre-COL application interactions (timing, scope, etc.), including: a. Coordination of construction and inspection activities, eg, sharing of construction planning/schedule info | | |

| COL/CIP Topic | Discussion/ Resolution "Vehicle" | Priority/Time Frame |
|--|--|------------------------|
| COL-6 Framework guidance for Engineering Design Verification (EDV) process , including provision for completing EDV after COL | <ul style="list-style-type: none"> • NEI Nov. 2001 white paper • NRC Response • NRC Inspection Guidance | |
| COL-7 Framework guidance for Sign-As-You-Go (SAYGO) process | <ul style="list-style-type: none"> • NEI Nov. 2001 white paper • NRC Response • NRC Inspection Guidance | |
| COL-8 Framework guidance for 52.99/FRN ITAAC verification process (see issue 2a), including: <ul style="list-style-type: none"> a. Relationship of QAP and ITAAC b. Criteria and process for revisiting or withdrawal of NRC ITAAC sign-offs c. Examples of ITAAC determination bases; appropriate matrix of ITAAC verification activities (to replace SECY-94-294) | <ul style="list-style-type: none"> • NEI Nov. 2001 white paper • NRC Response • NRC Inspection Guidance | |
| COL-9 Framework guidance for 52.103 process | <ul style="list-style-type: none"> • NEI Nov. 2001 white paper • NRC Response • SECY? | |
| COL-10 Framework guidance on assuring operational readiness and transition to operation under Part 52 | <ul style="list-style-type: none"> • NEI Nov. 2001 white paper • NRC Response • NRC Inspection Guidance | |
| COL-11 Identification of EP ITAAC | | |
| COL-12 Guidance for providing plant specific design info, plant specific ITAAC, and associated change process | | |
| COL-13 Guidance for completing DAC/ITAAC at COL | | |
| COL-14 Guidance on site redress plans | | |

| COL/CIP Topic | Discussion/ Resolution "Vehicle" | Priority/Time Frame |
|--|--|------------------------|
| COL-15 Guidance on what constitutes a "significant" new environmental issue at COL, per 52.79.(a)(1) | | |
| COL-16 Impact of new requirements, codes or standards on standard design, plant-specific design, operational programs or construction | | |
| COL-17 Modular plant licensing | <ul style="list-style-type: none"> • NEI July 2002 white paper • SECY-02-0180? | |
| COL-18 Duration of design approval in a COL | <ul style="list-style-type: none"> • NEI July 2002 white paper • SECY-02-0180? | |
| COL-19 COL form and content, including: <ul style="list-style-type: none"> a. Appropriateness of license conditions on low and full power operations envisioned in SECY-00-0092 | | |