

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
OFFICE OF NUCLEAR REACTOR REGULATION  
WASHINGTON, D.C. 20555

March 17, 1994

NRC ADMINISTRATIVE LETTER 94-03: ANNOUNCING AN NRC INSPECTION PROCEDURE ON  
LICENSEE SELF-ASSESSMENT PROGRAMS FOR NRC  
AREA-OF-EMPHASIS INSPECTIONS

Addressees

This administrative letter is addressed to all holders of operating licenses or construction permits for nuclear power reactors.

Purpose

The U.S. Nuclear Regulatory Commission (NRC) is issuing this administrative letter to inform addressees of the issuance of an NRC inspection procedure on licensee self-assessment programs. The inspection procedure was developed to minimize regulatory impact and more effectively utilize NRC resources for area-of-emphasis inspections. This administrative letter does not transmit or imply any new or changed NRC requirements or staff positions, and no specific action or written response is required.

Background

The NRC has been evaluating actions to minimize regulatory impact and more effectively utilize NRC resources and has determined that recognition of licensee good performance in the implementation of self-assessment programs is one method that meets these goals. Therefore, on August 12, 1993, the NRC incorporated NRC Inspection Procedure 40501, "Licensee Self-Assessments Related to Area-of-Emphasis Inspections," into the NRC Inspection Manual. The procedure introduced a pilot program that allows the NRC to evaluate a licensee proposal to perform a self-assessment and to determine if the scope of that self-assessment warrants reduced NRC inspection. The procedure applies to area-of-emphasis inspections such as those described in Temporary Instruction (TI) 2515/118, Revision 1, "Service Water System Operational Performance Inspection," or TI 2515/109, "Safety-Related Motor-Operated Valve Testing and Surveillance." The pilot program became effective with the issuance of the procedure.

Discussion

On August 12, 1993, the NRC issued Inspection Procedure 40501. In that procedure, the NRC described those areas to be evaluated by NRC regional management to determine the suitability of a proposed licensee self-assessment as a candidate for reduced inspection. The procedure also contains guidance to NRC inspection teams for evaluation of qualified licensee self-assessment efforts. The procedure outlines the process for monitoring a licensee self-assessment inspection and for performing an indepth, limited-scope

9403140046

updated on 7/29/94

PDR ADOCK

05600003 Q

940317

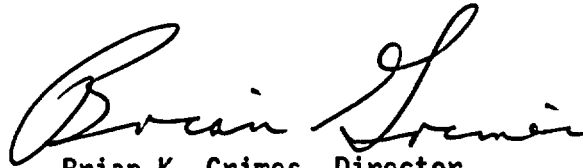
ID&R-5-Administrative Letter

*[Handwritten signature]*  
F01  
11

inspection of an area of emphasis as an alternative to the full-scope inspection described in the related NRC temporary instruction. The NRC expects to expend about 25 percent of the inspection hours specified in the applicable inspection procedure in monitoring a licensee, recognized as a good performer, whose proposed self-assessment inspection is found to be equivalent in scope and depth to the NRC area-of-emphasis inspection. The NRC expects that this process will lessen the regulatory impact of these inspections while still ensuring that the area of emphasis is appropriately evaluated.

This voluntary process is initiated by a formal submittal from a licensee proposing self-assessment of an area of emphasis as a basis for reduced NRC inspection. The NRC will review the submittal and notify the licensee by letter whether the basis for reduced inspection is acceptable. Details on the information to be included in the submittal and on other aspects of the program are in the inspection procedure (Attachment 1).

This administrative letter requires no specific action or written response. If you have any questions about this letter, please contact the person listed below or the appropriate Office of Nuclear Reactor Regulation (NRR) project manager.



Brian K. Grimes, Director  
Division of Operating Reactor Support  
Office of Nuclear Reactor Regulation

Contact: Eugene V. Imbro, NRR  
(301) 504-2967

Attachments:

1. NRC Inspection Procedure 40501, "Licensee Self-Assessments Related to Area-of-Emphasis Inspections"
2. List of Recently Issued NRC Administrative Letters

LIST OF RECENTLY ISSUED  
NRC ADMINISTRATIVE LETTERS

Administrative Letter No.	Subject	Date of Issuance	Issued to
94-02	Acknowledgement of Receipt and/or Update of Official Agency Files of Licensee Submittals	01/28/94	All holders of OLs or CPs for nuclear power reactors.
94-01	Forthcoming NRC Meeting with Industry to Discuss the Potential for Pressure Locking and Thermal Binding of Gate Valves	01/13/94	All holders of OLs or CPs for nuclear power reactors.
93-05	Announcement of Public Workshop on the Form and Content of Design Certification Rules	10/29/93	All holders of OLs or CPs for nuclear power reactors.
93-04	Announcement of Forthcoming Public Meetings on Whistleblower Protection Activities	09/09/93	All holders of OLs or CPs for nuclear power and research reactors and selected materials licensees.
93-03	Operator Licensing National Examination Schedule	09/07/93	All power reactor licensees and applicants for an operating license.
93-02	Implementing the Revised Systematic Assessment of Licensee Performance (SALP) Program	08/30/93	All holders of OLs or CPs for nuclear power reactors.
93-01	Announcing A New Type of NRC Generic Communication	07/09/93	All NRC licensees except licensed operators.

OL = Operating License  
CP = Construction Permit

inspection of an area of emphasis as an alternative to the full-scope inspection described in the related NRC temporary instruction. The NRC expects to expend about 25 percent of the inspection hours specified in the applicable inspection procedure in monitoring a licensee, recognized as a good performer, whose proposed self-assessment inspection is found to be equivalent in scope and depth to the NRC area-of-emphasis inspection. The NRC expects that this process will lessen the regulatory impact of these inspections while still ensuring that the area of emphasis is appropriately evaluated.

This voluntary process is initiated by a formal submittal from a licensee proposing self-assessment of an area of emphasis as a basis for reduced NRC inspection. The NRC will review the submittal and notify the licensee by letter whether the basis for reduced inspection is acceptable. Details on the information to be included in the submittal and on other aspects of the program are in the inspection procedure (Attachment 1).

This administrative letter requires no specific action or written response. If you have any questions about this letter, please contact the person listed below or the appropriate Office of Nuclear Reactor Regulation (NRR) project manager.

**Original Signed by**  
**Brian K. Grimes**

Brian K. Grimes, Director  
 Division of Operating Reactor Support  
 Office of Nuclear Reactor Regulation

Contact: Eugene V. Imbro, NRR  
 (301) 504-2967

**Attachments:**

1. NRC Inspection Procedure 40501, "Licensee Self-Assessments Related to Area-of-Emphasis Inspections"
2. List of Recently Issued NRC Administrative Letters

\*SEE PREVIOUS CONCURRENCE

OFFICE	RSIB:DRIL:NRR	C/RSIB:DRIL:NRR	D/DRIL:NRR
NAME	DNorkin*	EVImbro*	CERossi*
DATE	02/23/94	02/23/94	02/23/94

OFFICE	TechEd:	OGCB:DORS:NRR	C/OGCB:DORS:NRR	D/DORS:NRR
NAME	RSanders*	JBirmingham*	AJKugler*	BKGrimes
DATE	02/07/94	02/24/94	03/04/94	03/17/94

This administrative letter requires no specific action or written response. If you have any questions about this letter, please contact the person listed below or the appropriate Office of Nuclear Reactor Regulation (NRR) project manager.

Brian K. Grimes, Director  
 Division of Operating Reactor Support  
 Office of Nuclear Reactor Regulation

Contact: Eugene V. Imbro, NRR  
 (301) 504-2967

Attachments:

1. NRC Inspection Procedure 40501, "Licensee Self-Assessments Related to Area-of-Emphasis Inspections"
2. List of Recently Issued NRC Administrative Letters

\*SEE PREVIOUS CONCURRENCE

OFFICE	RSIB:DRIL:NRR	C/RSIB:DRIL:NRR	D/DRIL:NRR
NAME	DNorkin*	EVImbro*	CERossi*
DATE	02/23/94	02/23/94	02/23/94

OFFICE	TechEd:	OGCB:DORS:NRR	C/OGCB:DORS:NRR	D/DORS:NRR
NAME	RSanders*	JBirmingham*	AJKugler <i>AJK</i>	BKGrimes <i>BK</i>
DATE	02/07/94	02/24/94	03/04/94	03/ /94

OFFICIAL DOCUMENT NAME: RDCDINSPLJLB

This voluntary process is initiated by a licensee's formal submittal of its proposed self-assessment of an area-of-emphasis as a basis for reduced NRC inspection. The NRC will review the submittal and notify the licensee by letter whether the basis for reduced inspection is acceptable. Details on the information to be included in the submittal and on other aspects of the program are in the inspection procedure (Attachment 1).

This administrative letter requires no specific action or written response. If you have any questions about this letter, please contact the person listed below or the appropriate Office of Nuclear Reactor Regulation (NRR) project manager.

Brian K. Grimes, Director  
 Division of Operating Reactor Support  
 Office of Nuclear Reactor Regulation

Contact: Eugene V. Imbro, NRR  
 (301) 504-2967

Attachments:

1. NRC Inspection Procedure 40501, "Licensee Self-Assessments Related to Area-of-Emphasis Inspections"
2. List of Recently Issued NRC Administrative Letters

\*SEE PREVIOUS CONCURRENCE

OFFICE	RSIB:DRIL:NRR	C/RSIB:DRIL:NRR	D/DRIL:NRR
NAME	DNorkin	EVIbro <i>EV</i>	CERossi <i>ER</i>
DATE	02/23/94	02/23/94	02/23/94

OFFICE	TechEd: <i>JLB for</i>	OGCB:DORS:NRR	C/OGCB:DORS:NRR	D/DORS:NRR
NAME	RSanders	JBirmingham <i>JLB</i>	AJKugler	BKGrimes
DATE	02/07/94	02/24/94	02/ /94	02/ /94

OFFICIAL DOCUMENT NAME: RDCDINS.PJLB

*Note: Verbal agreement from J. Coran on appropriateness for an Admin letter received 2-17-94. JLB*