

May 28, 2003

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

Dear Mr. Chairman:

The Fiscal Year (FY) 2003 Energy and Water Development Appropriations Act, House Reports 107-681 and 108-10, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties and expanded the scope of the report to include information on the status of the Davis-Besse Nuclear Power Station. The initial reporting requirement arose in the FY 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. On behalf of the Commission, I am pleased to transmit the fifty-second report, which covers the month of March 2003 (enclosed).

The February 2003 report provided information on a number of significant activities. These included approval of changes to the design basis threat (DBT) and issuance of three immediately effective Orders to all operating commercial nuclear power plants that: amended the DBT for radiological sabotage; imposed work hour controls on the security workforce; and enhanced training and qualification requirements for security personnel. The Commission also issued an immediately effective Order to two Category I fuel cycle facilities in Virginia and Tennessee amending the DBT for theft or diversion of strategic quantities of special nuclear material. We also reported that Duke Energy Corporation submitted an application for amendment of the facility operating license for Catawba Nuclear Power Station Stations Units 1 and 2, and McGuire Nuclear Stations Units 1 and 2, to allow the use of mixed oxide lead test fuel assemblies in one of the McGuire or Catawba units as part of the ongoing United States - Russian Federation plutonium disposition program.

Since our last report, we dispatched a special inspection team to better understand the circumstances involving potential leakage in the bottom of the reactor vessel at the South Texas Project (STP) nuclear power plant, Unit 1. The team will also evaluate the licensee's corrective action plans. On April 12, 2003, South Texas Plant Unit 1 was in cold shutdown and preparing to restart from its current refueling outage. While performing a routine inspection of the reactor coolant system and associated systems as part of the boric acid control program, the licensee found what appeared to be small amounts of boric acid residue on two bottom mounted instrumentation penetrations on the reactor pressure vessel. The licensee informed the staff of its findings and preliminary investigation results in a letter dated April 24, 2003. The preliminary results indicate primary reactor coolant as the likely source of the residue. The licensee has committed to an effort that includes the following elements: 1) investigation of the root cause; 2) determination of the extent of the condition; 3) identification and implementation of effective corrective actions; and 4) briefing the staff prior to restarting the unit. We will keep you informed on the status of this issue.

I would like to update you on the status of power uprate activities. Since the beginning of November 2002, the staff completed reviews of eleven power uprate applications, resulting in a combined increase of approximately 450 megawatts thermal (MWt) or about 151 megawatts electric (MWe). This brings the total number of power uprate applications approved since 1977 to 94, resulting in a combined increase of approximately 4050 MWe (or the equivalent of constructing four power plants) to the nation's electric generating capacity. The staff is currently reviewing five power uprate applications that could, if approved, add an additional 87 MWe to the nation's electric generating capacity. Furthermore, based on a January 2003 NRC survey of all licensees to obtain information regarding their plans for submitting power uprate applications over the next 5 years, 35 additional power uprate applications are expected. These power uprates are expected to result in an additional increase of about 2270 MWe to the nation's electric generating capacity. We have also completed several program enhancements, including issuing for comment a draft review standard for extended power uprates, and establishing clear timeliness and resource goals for reviewing power uprate applications. Power uprates -- which have been designated as a high priority staff activity -- are considered among the most significant licensing actions, and are being reviewed in a manner that does not unnecessarily delay their completion. Because of the wide interest in power uprate licensing actions, we established a power uprate web site (<http://www.nrc.gov/reactors/operating/licensing/power-uprates.html#status>). Maintaining safety remains the staff's highest priority when conducting power uprate reviews and the staff will ensure that the goal to maintain safety is not compromised in order to meet timeliness and resource expenditure goals.

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

- renewed the operating licenses for Peach Bottom Atomic Power Station, Units 2 and 3, for an additional 20 years. The plant is located approximately 18 miles south of Lancaster, Pennsylvania, and is operated by Exelon Generation Company.
- published a notice in the Federal Register on May 12 (68 FR 25281) confirming the effective date of October 1, 2003, for the direct final rule that appeared in the Federal Register on March 5, 2003 (68 FR 10362). This direct final rule amended the NRC's regulations on reporting source material with foreign obligations. In the direct final rule, NRC stated that if no significant adverse comments were received, the direct final rule would become final on the date noted above. The NRC did not receive any comments that warranted withdrawal of the direct final rule. Therefore, this rule became effective as scheduled.
- issued a revised draft safety evaluation report (DSER) concerning the construction of a proposed mixed oxide (MOX) fuel fabrication facility at the Department of Energy's (DOE's) Savannah River site near Aiken, South Carolina. The DSER concludes that DOE's contractor, Duke Cogema Stone & Webster (DCS), has not yet met all of the applicable safety requirements pertaining to construction of the proposed facility in order to provide reasonable assurance of protection against natural phenomena and the consequences of potential accidents. Specifically, the DSER identifies 19 open items on which the NRC requests further information from DCS before a construction authorization can be granted. These items include questions about nuclear criticality safety, fire safety, chemical safety, and the confinement ventilation system at the

proposed facility. The DSER is available on the NRC's MOX web site, at <http://www.nrc.gov/materials/fuel-cycle-fac/mox/licensing.html>.

- conducted, on April 22-23, NRC's annual Agency Action Review Meeting (AARM) in Annapolis, MD. This meeting, which is attended by many of the agency's senior managers, provides an opportunity to review industry trends, evaluate the status of the reactor oversight process (ROP), and discuss performance of individual nuclear facilities warranting senior management attention. The staff briefed the Commission on the results of the AARM in a public meeting on May 15.
- issued Regulatory Issue Summary (RIS) 2003-07 to inform addressees of the publication of a final rule that revises the advance notification requirements for the shipment of spent nuclear fuel and special nuclear material.
- approved a request by Entergy Nuclear Generation Co. to increase the generating capacity of the Pilgrim nuclear power plant by 1.5 percent. The power uprate at the plant, located near Plymouth, Massachusetts, will increase the generating capacity of the plant from 670 to 680 megawatts electric.
- approved a request by the Indiana/Michigan Power Co. to increase the generating capacity of Unit 2 at the D.C. Cook nuclear power plant by 1.5 percent. The power uprate at the plant, located near Benton Harbor, Michigan, increases the generating capacity of the plant from 1090 to 1108 megawatts electric.
- dispatched a team of experts, during the week of April 7, 2003, to evaluate FirstEnergy Nuclear Operating Company's tools for assessing safety culture at the Davis-Besse Nuclear Power Station in Oak Harbor, Ohio. Weaknesses in the plant's safety culture were identified as key contributors in the corrosion of the reactor vessel head, which has resulted in the plant's extended shutdown since February 16, 2002.
- issued an amendment, on April 9, 2003, to the TRUPACT-II transportation package, that approved shipments of waste with greater than trace quantities of beryllium. The TRUPACT-II is used to transport waste to the Waste Isolation Pilot Plant in New Mexico.
- published in the Federal Register on April 15, 2003, (68 FR 18297) a proposed agreement with the State of Wisconsin for the State to assume part of NRC's regulatory authority over certain nuclear materials in the State. If the request is accepted, Wisconsin will become the 33rd State to sign such an agreement with the NRC.
- published a final rule in the Federal Register on April 18, 2003, (68 FR 18836) that amends the regulations pertaining to the availability of official records. The final rule requires those who submit documents claimed to contain proprietary or other confidential information to mark those portions of the document containing that type of information to reduce the possibility of inadvertent release, codifies NRC's current practice delineating the circumstances under which the NRC will not return confidential documents that have been submitted to it, and codifies NRC's practice of making copies of copyrighted material sufficient to perform its mission. The final rule becomes effective June 16, 2003.

- published amendments to its regulations in the Federal Register on April 22, 2003, (68 FR 19711) to standardize the process for permitting nuclear power plant licensees to release parts of their facilities or sites for unrestricted use if they are able to demonstrate that any residual radiation on the property is within regulatory limits. The final rule is directed at operating and decommissioning reactor facilities and does not include other nuclear facilities, such as those engaged in fuel fabrication.
- published in the Federal Register on April 21, 2003 (68 FR 19321) a direct final rule that amends the regulations pertaining to the medical use of byproduct material. The direct final rule, which becomes effective July 7, 2003, clarifies certain definitions, notification requirements, and recordkeeping requirements. The direct final rule also allows training for ophthalmic use of strontium-90 to be conducted in eye clinics or private practices in addition to medical institutions.
- published in the Federal Register on May 12, 2003 (68 FR 25397) a proposed rule for public comment on the treatment of systems, structures and components at nuclear power plants. The proposed rule would provide an alternative approach, using a risk informed method, for categorizing systems structures and components based on their safety significance.

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

Sincerely,

/RA/

Nils J. Diaz

Enclosure:
Monthly Report

cc: Senator Thomas R. Carper

Identical letter sent to:

The Honorable George V. Voinovich, Chairman
Subcommittee on Clean Air, Climate Change,
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator Thomas R. Carper

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
cc: Representative Rick Boucher

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

The Honorable David L. Hobson, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515
cc: Representative Peter Visclosky

The Honorable James M. Inhofe, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator James Jeffords

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

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

MARCH 2003

Enclosure

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¹Note: The period of performance covered by this report includes activities occurring between the first and last day of March 2003. 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.

I. Implementing Risk-Informed Regulations

On March 21, 2003, the NRC staff provided the Commission with an update of the Risk-Informed Regulation Implementation Plan (SECY-03-0044). This plan is updated approximately every six months and discusses the status of all of the agency's efforts to risk-inform its regulatory activities. It includes a summary of recent accomplishments and describes key risk-informing activities to be conducted by the NRC over the next six months.

On March 28, 2003, the Commission approved publication for public comment of a proposed rule that would risk-inform NRC's special treatment requirements for structures, systems and components. The rule will be published in the *Federal Register* within a few weeks for a 75-day public comment period. [SECY-02-0176]

On March 31, 2003, the Commission issued direction to the staff to proceed with three rulemakings related to requirements on emergency core cooling requirements for loss-of-coolant accidents. These rulemakings include an effort to provide a realistically conservative estimation of frequencies for a spectrum of break sizes that would support a risk-informed alternative to the present maximum break size. These rulemakings would also allow greater operational flexibility by permitting realistic approaches for demonstrating emergency core cooling system functional reliability. [SECY-02-0057]

II. Reactor Oversight Process

The NRC continues to implement the Reactor Oversight Process (ROP) at all nuclear power plants. The NRC continues to meet with interested stakeholders on a periodic basis to collect feedback on the efficacy of the process and considers stakeholder feedback in making refinements to the ROP. Recent activities include the following:

- On March 19, and 20, 2003, a combined Mitigating Systems Performance Index (MSPI)/ROP public meeting was held. The MSPI meeting participants discussed questions and issues raised from the January MSPI public workshop as well as the progress made on the unresolved MSPI technical issues. MSPI meeting participants also focused on the status of the Office of Nuclear Regulatory Research's (RES's) review of the licensee-specific MSPI models and the staff's standardized plant analysis risk models for selected pilot licensees. The next public MSPI meeting is scheduled for April 30, 2003.
- The March 20, 2003, ROP public meeting discussed proposed changes to the Significance Determination Process (SDP) manual chapter appendices, and new Frequently Asked Questions on the performance indicators (PIs). Topics discussed by the staff included fire protection, steam generators, shutdown, and containment SDPs. Additionally, the staff of the Office of Nuclear Reactor Regulation (NRR) and RES provided a status update of the Industry Trends Program. The staff also provided a discussion on PI improvements, particularly for Reactor Coolant System boundary leakage. The next ROP public meeting is scheduled for May 1, 2003.
- On March 21, 2003, a public meeting with the Nuclear Energy Institute, industry, and NRC regional representatives was held to discuss the joint NRC/Industry initiative to allow inspection credit for certain industry self-assessment activities. During the

meeting, the NRC presented plans for handling several issues, including the make-up of the self-assessment team, NRC oversight requirements, eligibility requirements and degree of NRC assessment during pilot self-assessments. During the next meeting, tentatively scheduled for the beginning of May, the plan is to select four plants (one in each region) for pilot self-assessments to be conducted later this year.

III. Status of Issues in the Reactor Generic Issue Program

Resolution of the issues in the Reactor Generic Issue Program continues to be on track.

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 2003 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 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 2003 NRC Performance Plan incorporates one output measure related to other licensing tasks. This is: number of other licensing tasks completed.

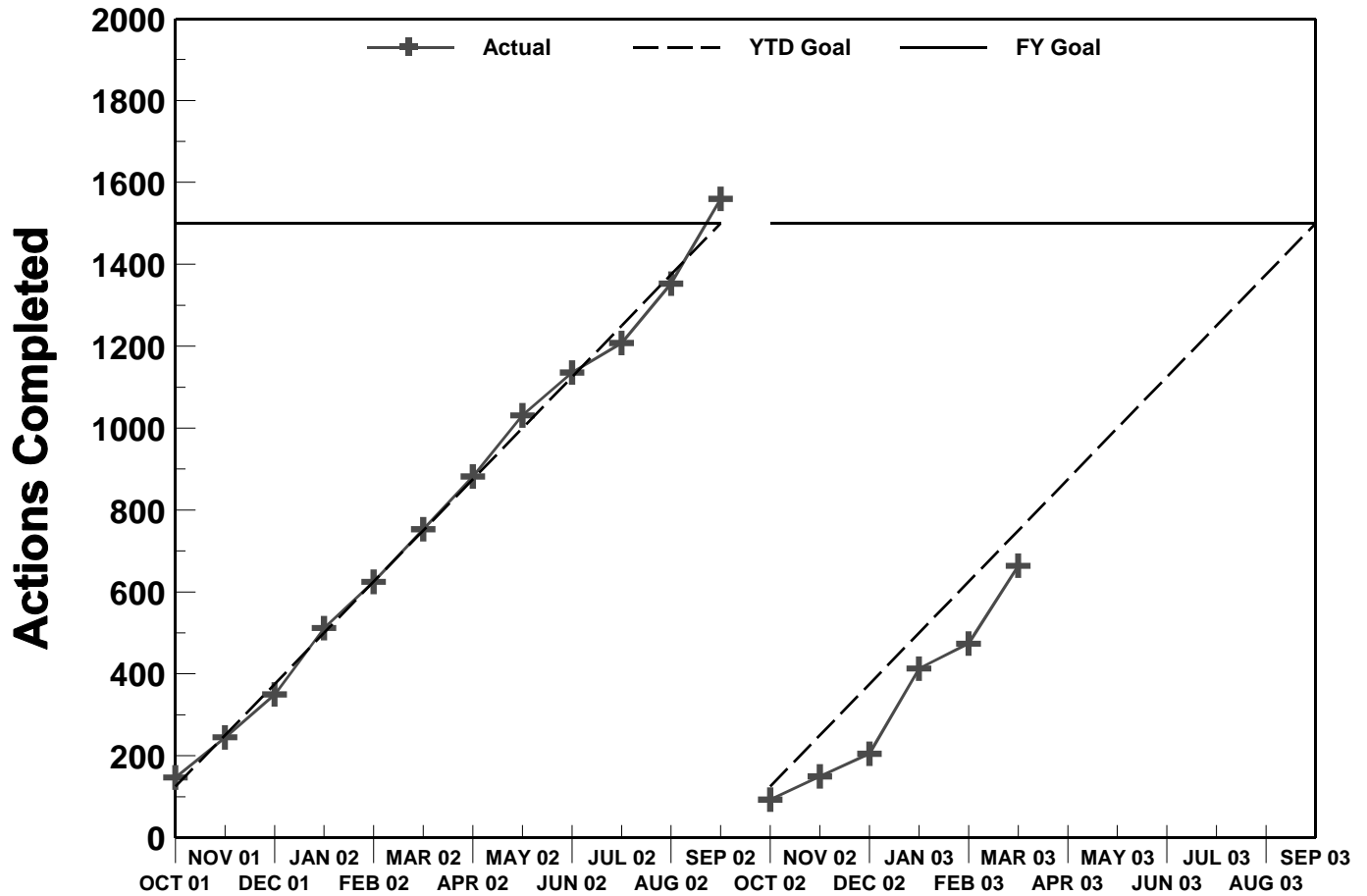
The actual FY 2001 and FY 2002 results, the FY 2003 goals and the actual FY 2003 results, as of March 31, 2003, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

| PERFORMANCE PLAN | | | | |
|--------------------------------------|---|---|--|---|
| Output Measure | FY 2001 Actual | FY 2002 Actual | FY 2003 Goals | FY 2003 Actual (thru 03/31/2003) |
| Licensing actions completed/year | 1617 | 1560 | ≥ 1500 | 664 |
| Age of licensing action inventory | 96.9% ≤ 1 year; and 100% ≤ 2 years | 96.6% ≤ 1 year; and 100% ≤ 2 years | 96% ≤ 1 year and 100% ≤ 2 years old | 92.1% ≤ 1 year; 100% ≤ 2 years |
| Size of licensing action inventory | 877 | 765 | ≤ 1000 | 1230 |
| Other licensing tasks completed/year | 523 | 426 | ≥ 350 | 258 |

The following charts demonstrate NRC's FY 2003 trends for the four licensing action and other licensing task output measure goals.

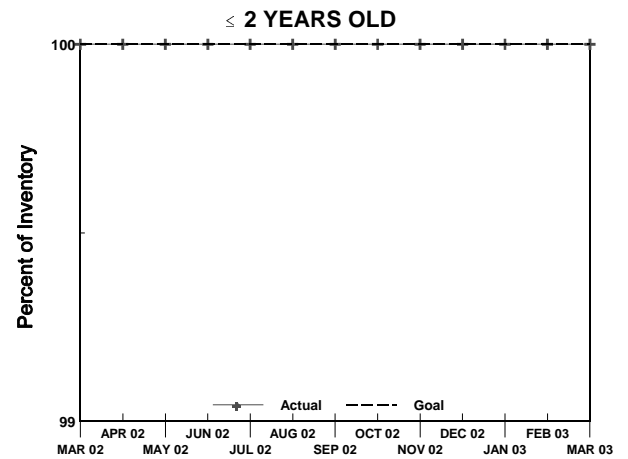
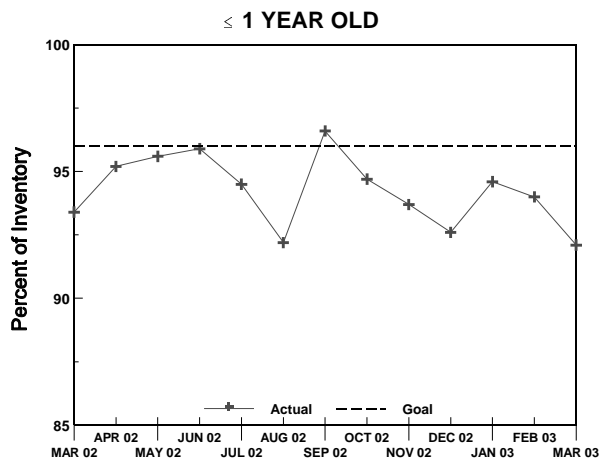
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



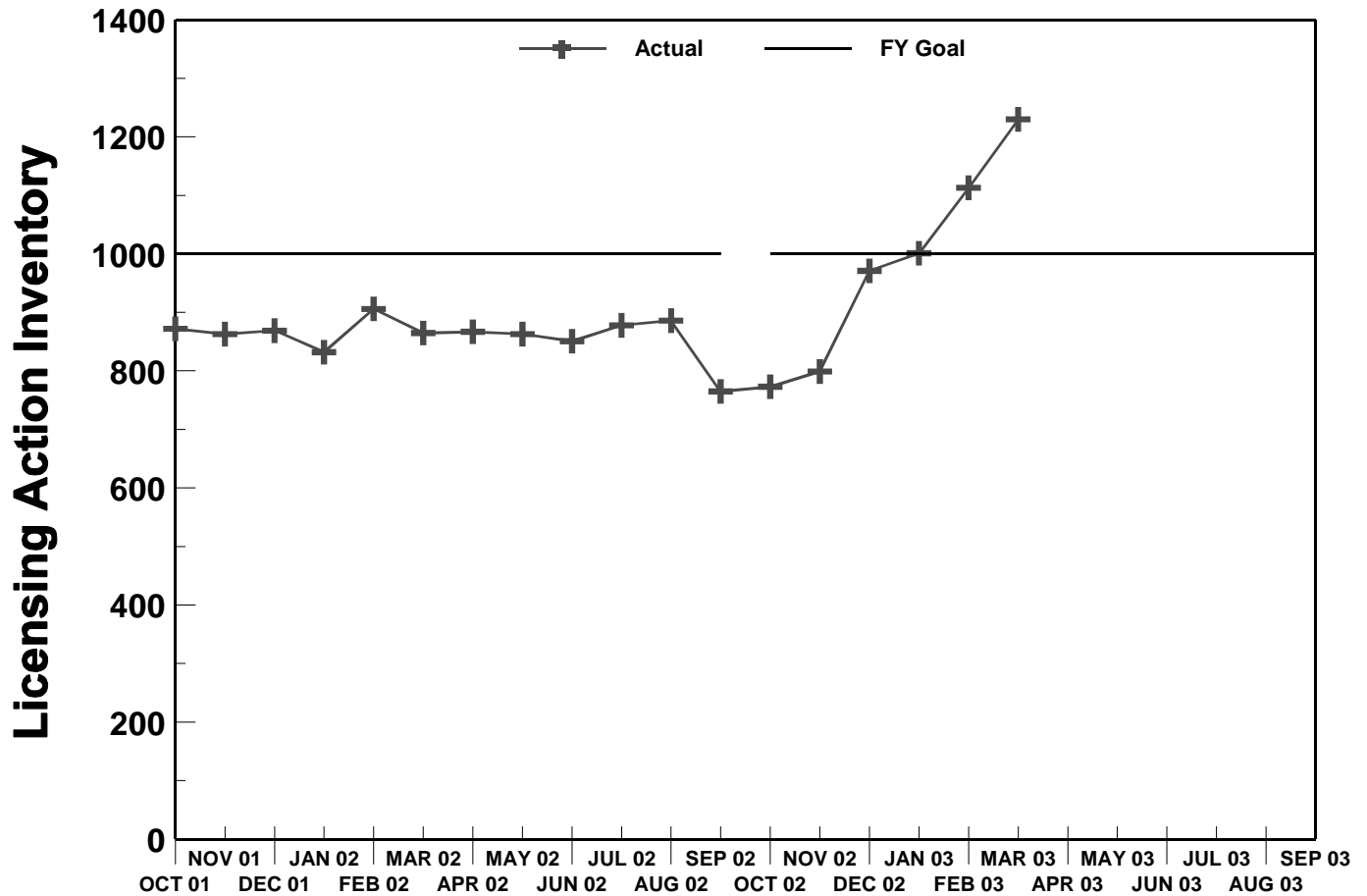
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



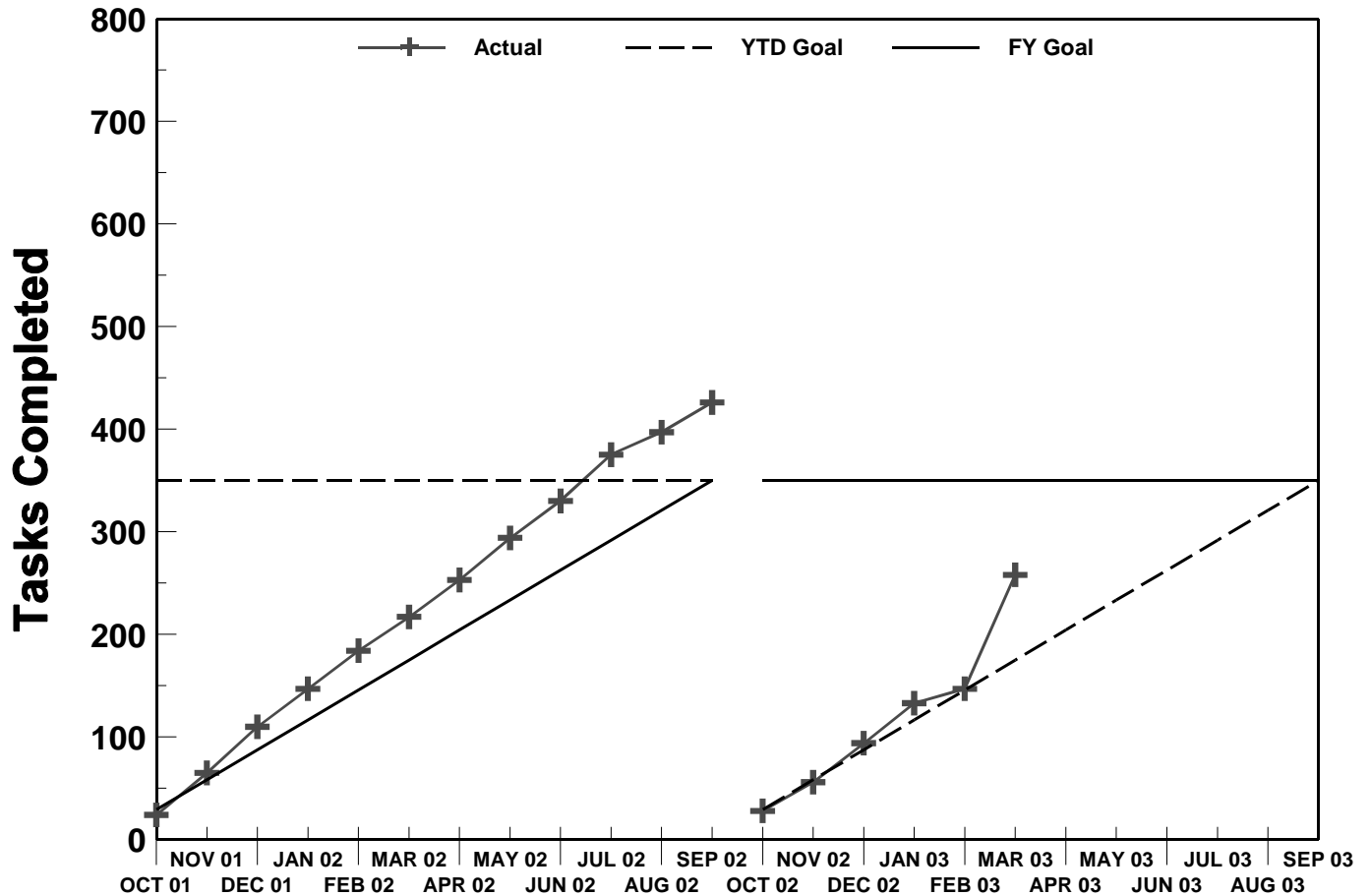
Nuclear Reactor Safety - Reactor Licensing

Performance Plan: Size of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Surry, Units 1 and 2, and North Anna, Units 1 and 2, Combined Renewal Applications

The renewed licenses for the Surry and North Anna units were issued on March 20, 2003, completing the review of the first dual site combined applications (22 months after receipt).

McGuire, Units 1 and 2, and Catawba, Units 1 and 2, Combined Renewal Applications

The staff issued the final supplemental environmental impact statements (SEISs) for McGuire and Catawba in December 2002. The safety evaluation report resolving the open items was issued in January 2003. A decision on the renewal of the licenses is expected in December 2003.

In January 2002, the Atomic Safety and Licensing Board (ASLB) admitted contentions filed by two petitioners in the Catawba and McGuire license renewal proceeding. The petitioners contended that the applicant's severe accident mitigation alternative (SAMA) analysis was incomplete. The staff and Duke appealed the ASLB decision and the contention was subsequently dismissed. However, in December 2002, the Commission reinstated late-filed contentions that had been submitted in May 2002. These late-filed contentions are currently being reviewed by the ASLB for admissibility.

Peach Bottom, Units 2 and 3, Renewal Application

The staff issued the final SEIS in January 2003. The revised safety evaluation report addressing the resolution of open items was issued in February 2003. A decision on issuance of the renewed license is scheduled for May 2003.

St. Lucie, Units 1 and 2, Renewal Application

The staff issued the draft SEIS for public comment in November 2002 and the comment period ended in January 2003. The staff is addressing the comments received and is preparing the final SEIS which is scheduled to be issued in June 2003. The staff issued the safety evaluation report identifying open items in February 2003 and the applicant provided responses to the open items in March 2003.

Fort Calhoun Renewal Application

The staff issued the draft SEIS for public comment in January 2003 and the public comment period ends in April 2003. The safety requests for additional information were issued in October 2002 and the applicant's responses were received in December 2002. The staff is reviewing the applicant's responses and preparing to issue the safety evaluation report in April 2003, which will identify any remaining open items.

Robinson Unit 2 Renewal Application

Environmental requests for additional information were issued in October 2002 and the responses were received in January 2003. The staff is reviewing the responses and is preparing the draft SEIS which is scheduled to be issued in May 2003. The safety requests for

additional information were issued in February 2003 and the applicant's responses are scheduled to be submitted in April 2003.

Ginna Renewal Application

Environmental requests for additional information were issued in January 2003 and the applicant's responses were received in March 2003. The staff is reviewing the responses and is preparing the draft SEIS which is scheduled to be issued in June 2003. The safety requests for additional information were issued in March 2003 and the applicant's responses are scheduled to be submitted in June 2003.

Summer Renewal Application

The Summer renewal application is currently under review. All environmental requests for additional information were issued in January 2003 and the responses were received in March 2003. The safety requests for additional information are scheduled to be issued in April 2003 and the responses are due in June 2003.

Dresden, Units 2 and 3, and Quad Cities, Units 1 and 2, Combined Renewal Applications

On January 3, 2003, the NRC received an application for renewal of the Dresden, Units 2 and 3, and Quad Cities, Units 1 and 2, operating licenses. The staff has completed its acceptance review and has found the application acceptable for docketing and review. The review schedule and notice of opportunity for hearing were issued in February 2003. Until it is determined whether a hearing will be conducted, a 30-month review schedule has been established with a final decision on issuance of the renewed licenses scheduled for July 2005.

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

As reported in the last update, on March 10, 2003, the Atomic Safety and Licensing Board (ASLB) issued a Partial Initial Decision (Regarding "Credible Accidents") (LBP-03-04), in which it resolved a contention regarding hazards posed to the facility from aircraft crashes and ordnance impacts in favor of the State of Utah. The ASLB found that the probability of an F-16 aircraft crash on the facility exceeds the Commission's threshold for the annual probability of occurrence.

On March 31, 2003, the NRC staff and PFS filed petitions for Commission review of the Board's "probability" decision. PFS also filed a request for the Board's reconsideration, seeking approval to license initially a much smaller facility than originally proposed. In addition, as part of a joint status report, PFS indicated that it wishes to proceed to attempt to prove that there would be no appreciable radiation dose consequences even if an F-16 aircraft crashed into the facility.

VII. Enforcement Process and 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 | Mar 2003 | 0 | 0 | 0 | 0 | 0 |
| | FY 03 YTD | 0 | 0 | 0 | 0 | 0 |
| | FY 02 Total | 0 | 0 | 0 | 0 | 0 |
| | FY 01 Total | 0 | 0 | 0 | 0 | 0 |
| Severity Level II | Mar 2003 | 0 | 0 | 0 | 0 | 0 |
| | FY 03 YTD | 0 | 0 | 0 | 0 | 0 |
| | FY 02 Total | 1 | 0 | 0 | 0 | 1 |
| | FY 01 Total | 0 | 1 | 0 | 0 | 1 |
| Severity Level III | Mar 2003 | 0 | 0 | 0 | 0 | 0 |
| | FY 03 YTD | 1 | 0 | 1 | 0 | 2 |
| | FY 02 Total | 2 | 0 | 0 | 0 | 2 |
| | FY 01 Total | 1 | 1 | 1 | 1 | 4 |
| Severity Level IV | Mar 2003 | 0 | 0 | 0 | 0 | 0 |
| | FY 03 YTD | 0 | 0 | 0 | 0 | 0 |
| | FY 02 Total | 0 | 0 | 2 | 0 | 2 |
| | FY 01 Total | 1 | 0 | 2 | 1 | 4 |
| Non-Cited Severity Level IV | Mar 2003 | 6 | 5 | 13 | 2 | 41 |
| | FY 03 YTD | 99 | 65 | 94 | 75 | 333 |
| | FY 02 Total | 207 | 89 | 201 | 151 | 648 |
| | FY 01 Total | 279 | 105 | 201 | 139 | 724 |

* Numbers of violations are based on enforcement action tracking system (EATS) data that maybe 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.

| Escalated Reactor Enforcement Actions Associated with the Reactor Oversight Process | | | | | | |
|--|-------------|----------|-----------|------------|-----------|-------|
| | | Region I | Region II | Region III | Region IV | Total |
| NOVs Related to White, Yellow or Red Findings | 3/03 Red | 0 | 0 | 0 | 0 | 0 |
| | 3/03 Yellow | 0 | 0 | 0 | 0 | 0 |
| | 3/03 White | 0 | 0 | 1 | 0 | 1 |
| | FY 03 YTD | 3 | 1 | 5 | 0 | 9 |
| | FY 02 Total | 5 | 4 | 6 | 8 | 22 |
| | FY 01 Total | 8 | 4 | 4 | 3 | 19 |

Description of Significant Actions taken in March 2003

FirstEnergy Nuclear Operating Company (Perry) EA-03-007

On March 4, 2003, a Notice of Violation was issued for a violation associated with a White SDP finding involving the failure of the high pressure core spray system to start during routine surveillance testing. The violation cited the licensee's failure to implement procedures during the installation and inspection of the high pressure core spray pump breaker from 1994 through October 23, 2002.

VIII. Power Reactor Security Regulations

In response to the terrorist attacks on September 11, 2001, the NRC and the nuclear industry have taken a number of actions to ensure the security at nuclear power plants. Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC advised nuclear power plant licensees to go to the highest level of security and all promptly did so.

A series of Advisories, Orders and Regulatory Issue Summaries have been issued to further strengthen security of NRC-licensed facilities and control of nuclear materials. The specific actions are sensitive, but generally include requirements for increased patrols, augmentation of the number and capabilities of security guards, additional security posts, installation of additional physical barriers, vehicle checks at greater stand-off distances, enhanced coordination with law enforcement and military authorities, and more restrictive site access controls for personnel. Measures have been put in place to provide additional protection against land attacks, including the use of a substantial vehicle bomb, and against water-borne attacks.

The Commission is preparing to issue Orders to power reactor licensees which will impose additional requirements to enhance controls on security force personnel. One Order will limit the number of hours security officers are permitted to work. The second Order will implement uniform standards throughout the industry for training and qualification of security force personnel.

The Commission has worked closely with other Federal agencies to revise the design basis threat that provides the foundation for the security programs of nuclear power plant licensees. The Commission has also elicited and received feedback from its licensees regarding the impacts from implementation of a revised design basis threat. The NRC is preparing to issue an Order imposing a revised design basis threat on power reactors and Category I fuel cycle facilities in the near future.

Following the 9/11 attacks, NRC-evaluated security exercises were temporarily suspended to allow licensees to focus on putting increased security measures into place. In the fall of 2002, NRC reinitiated the table top component of these exercises and included a wide array of Federal, State and local law enforcement and emergency planning officials. The NRC has recently initiated a pilot program for full force-on-force drills which use expanded adversary characteristics that were developed as a result of the increased post 9/11 threat. As of the end of March, force-on-force drills have been completed at two plants. The NRC plans to conduct force-on-force tests at a rate of approximately two per month. The drills will be carried out at each nuclear power plant on a three-year cycle instead of the eight-year cycle that had been used prior to September 11, 2001.

IX. Power Upgrades

The staff has assigned power upgrade license amendment reviews a high priority. The staff considers power upgrade applications among the most significant licensing actions and is, therefore, conducting power upgrade reviews on accelerated schedules.

Licensees have been applying for and implementing power upgrades since the 1970s as a way to increase the power output of their plants. The staff has been conducting power upgrade reviews since then and to date, has completed 92 such reviews. Approximately 12,067 MWt (4022 MWe) or an equivalent of over three nuclear power plant units has been gained through implementation of power upgrades at existing plants. The staff currently has 8 plant-specific applications under review.

The staff has completed its review of two General Electric Nuclear Energy topical reports for power upgrades. One of the topical reports covers measurement uncertainty recapture power upgrades (power upgrades less than 2 percent based on the use of enhanced feedwater flow measurement techniques). The other topical report covers extended power upgrades (power upgrades greater than 7 percent). The staff approved both topical reports.

The staff has completed a survey of nuclear power plant licensees to obtain information regarding industry's plans related to power upgrade applications. Based on this survey and information obtained since the survey, licensees plan to submit 35 additional power upgrade applications in the next 5 years. These include 13 measurement uncertainty recapture power upgrades, 4 stretch power upgrades (power upgrades up to about 7 percent), and 18 extended power upgrades. Planned power upgrades are expected to result in an increase of about 6809 MWt (2270 MWe). The staff will utilize this information for future planning.

During the month of March, NRC staff participated in meetings with the Korean Institute of Nuclear Safety (KINS) during which NRC and KINS staff exchanged information regarding ongoing and expected work in the area of power upgrades. KINS is expecting the first ever application for a power upgrade for a Korean plant and is preparing for the review of this

application. As a result, the area of power uprate was identified as an area for further information exchange between the NRC and KINS. Future information exchanges related to this visit are currently being developed.

X. Status of Davis-Besse Nuclear Power Station

Background

On March 6-7, 2002, FirstEnergy Nuclear Operating Company (FENOC), the licensee for the Davis-Besse Nuclear Power Station in Oak Harbor, Ohio, identified a large cavity resulting from boric acid corrosion in the reactor pressure vessel head. The corrosion of the vessel head was identified after FENOC had completed inspections performed in response to NRC Bulletin 2001-01, "Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles," which the Agency issued on August 3, 2001.

The NRC promptly sent an Augmented Inspection Team to the plant to determine the facts and circumstances of the degraded condition. A Confirmatory Action Letter was issued on March 13, 2002, which detailed specific licensee actions to be taken before NRC would consider the restart of Davis-Besse. On April 30, 2002, the Agency established a special Davis-Besse oversight panel to coordinate the NRC's activities in assessing the performance problems associated with the corrosion damage, monitoring corrective actions, and evaluating the readiness of the plant to resume operations. The plant will not restart until the NRC is satisfied that all current safety concerns have been resolved.

Detailed information on NRC activities associated with the Davis-Besse Reactor Vessel Head degradation event can be found at: <http://www.nrc.gov/reactors/operating/ops-experience/vessel-head-degradation.html>.

Status Update for March 2003:

As of March 31, 2003, FENOC projects a June 2003 startup of the Davis-Besse plant. The plant completed fuel load on February 26, 2003, and entered Cold Shutdown (average coolant temperature less than 200 degrees Fahrenheit) on March 12, 2003.

During the month of March, several NRC inspections continued and an additional inspection was initiated to examine how the licensee has corrected several problems that have been identified. The inspections are tied to the NRC's Restart Checklist, which contains the issues identified by the Oversight Panel which are to be resolved before a restart decision can be made.

On March 11, 2003, the Oversight Panel conducted two public meetings in Port Clinton, Ohio. Participants at the first meeting included the licensee representatives who discussed performance and progress on their Return to Service Plan. At the second meeting, the Oversight Panel discussed the status of the NRC activities and responded to questions and concerns from the public.

On March 7, 2003, a memorandum was issued from NRC's Office of Nuclear Reactor Regulation and the Office of Research to the agency's Executive Director for Operations on the overall plan for accomplishing the Davis-Besse Lessons Learned Task Force

recommendations. On March 10, 2003, a memorandum was issued from the Executive Director for Operations to the Commission on the plans for implementing the Davis-Besse Lessons Learned Task Force recommendations. These memoranda can be found on the NRC's Davis-Besse web site.