

MEMORANDUM TO: Chairman Diaz July 16, 2003
Commissioner McGaffigan
Commissioner Merrifield

FROM: William D. Travers */RA/*
Executive Director for Operations

SUBJECT: INCENTIVES TO ENCOURAGE LICENSEE PARTICIPATION IN THE
OPERATIONAL SAFETY REVIEW TEAM MISSIONS

In a memorandum to the Commission dated March 6, 2003, I provided an update on the Office of Nuclear Reactor Regulation (NRR) efforts to identify a volunteer utility to host an operational safety review team (OSART) mission by the end of calendar year (CY) 2005. In that memorandum, I also discussed the staff's plan to explore ways to encourage licensee participation by minimizing the burden of hosting the OSART mission. As you know, the Institute of Nuclear Power Plant Operations (INPO) is also evaluating possible assessment equivalencies to permit reductions in a licensee's INPO assessment program as an incentive to host an OSART. The purpose of this memorandum is to provide you the results of the staff's review of OSART missions and recommendations for granting some regulatory credit.

The headquarters and regional staff believe that it would be beneficial for the U.S. nuclear power industry to continue its participation in the OSART missions. The OSART missions offer a means of assessing licensee performance and reinforcing plant self-assessments through an independent assessment process. OSARTs focus on the safety and reliability of plant operation. They review the operation of the plant and the performance of the plant's management and staff rather than the adequacy of the plant's design and compliance with its licensing basis. In addition, the staff believes that an independent review of a plant by a team of 10-12 international experts will enhance public confidence, especially if the results of the review are made available to the public.

The OSART review is performed by senior staff members from International Atomic Energy Agency member states. The experts nominated to review each functional area have more than 10 years of nuclear power plant experience. The review team's preparation is similar to an NRC team inspection's preparation. The team spends 3 weeks at the site, reviewing many of the utility's programs and procedures in depth, observing work in progress, and having discussions with plant staff. Based on a review of sample OSART reports and the OSART guidelines, the staff determined that although the OSART review is not risk-informed, some areas of the review overlap with the ROP baseline inspection program.

Accordingly, the headquarters and regional staff recommend that the NRC grant a one-time regulatory credit (reduction in baseline inspection program) for those NRC baseline inspections that overlap, either in part or fully, with the OSART review. Specifically, the headquarters and regional staff recommend that a 25 percent ROP baseline inspection credit be given for the following Inspection Procedures:

- 71111.22 (Q) "Surveillance Test"
- 71111.5 (Q) "Fire Protection"
- 71121.01 (A) "Access Control to Radiologically Significant Areas"
- 71121.02 (B) "ALARA Planning and Controls"
- 71121.03 (B) "Radiation Monitoring Instrumentation and Protective Equipment"
- 71122.01 (B) "Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems"
- 71122.02 (B) "Radioactive Material Processing and Transportation"
- 71122.03 (B) "Radiological Environmental Monitoring Program and Radioactive Material Control Program"

In addition, a 50 percent ROP baseline inspection credit should be given for the following procedures:

- IP 71114.03 (B), "Emergency Response Organization Augmentation"
- IP 71114.05 (B) "Correction of Emergency Preparedness Weaknesses and Deficiencies"
- IP 71152 (B) "Identification and Resolution of Problems/Issues"

The above regulatory credit to minimize the burden of hosting an OSART mission is consistent with NRC's performance goals. The staff expects total inspection resource savings of approximately 240 hours.

In order for the region to take one-time credit for reducing baseline inspections, the areas for which the credit is to be given must have been documented in the OSART report. In addition, an NRC staff person should closely monitor the OSART activities, such as attending the team's briefings to the licensee. The staff person should assess whether the regulatory credit assumptions were appropriate. This person also needs a good understanding of the issues and recommendations made by the OSART. For NRC planning purposes, this effort is estimated to take approximately 40 hours. Also, the region should assure that the OSART inspection report is made publicly available. Specific OSART findings should not normally be referenced or followed-up by the NRC, however, where a significant safety issue (potentially greater than Green) or a potential violation of an NRC requirement is identified, the NRC should independently conduct an appropriate baseline inspection to disposition potential violations and assess the significance of the finding in accordance with the ROP. These findings will be documented in accordance with NRC Inspection Manual Chapter (IMC) 0612, "Power Reactor Inspection Reports," and will also be processed as performance assessment inputs equivalent to NRC identified findings in accordance with IMC 0305, "Operating Reactor Assessment

The Commission

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Program.” The staff will perform any additional inspections for those findings that have a significance greater than Green in accordance with NRC’s Action Matrix.

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*See previous concurrence

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