

May 17, 2004

MEMORANDUM TO: William D. Travers
Executive Director for Operations

FROM: James E. Dyer, Director /RA/
Office of Nuclear Reactor Regulation

SUBJECT: IMPACT ON THE OFFICE OF NUCLEAR REACTOR REGULATION
FROM SUPPORT OF THE REVIEW OF SECURITY PLAN CHANGES

The purpose of this memorandum is to inform you of the programmatic impact on the Office of Nuclear Reactor Regulation (NRR) as a result of the support provided to the review of the security plan, safeguards contingency plan, and training and qualification plan changes required by the April 29, 2003, Commission Order.

The staff has established a Security Plan Review Team (SPRT) to facilitate the review and approval of the plan changes that is being led by the Office of Nuclear Security and Incident Response. NRR will commit significant resources to this effort with the result that programmatic impacts will occur. In making the decision on how to support this effort, NRR determined what skills were needed and how to meet the SPRT needs while minimizing the overall impact on NRR programs.

For NRR, the FY 2004 budget provides 1.4 FTE for the review of security plan changes, which are considered licensing actions. To account for the 4.4 FTE needed to support the review of the plan changes, the balance of 3 FTE was reprogrammed. Within NRR's FY 2004 budget, 1.3 FTE was reprogrammed from other program areas to licensing actions. In addition, 1.7 FTE currently budgeted for review of routine licensing actions was redirected to support the plan change reviews. Reprogramming NRR resources for the enhanced SPRT support is occurring at a time when NRR is already behind in its planned accomplishment of FY 2004 licensing actions due to earlier reprogramming and will prevent our recovery in the latter half of the fiscal year.

When deciding which activities to defer, only those with minimal impact to NRR's safety mission were considered. To account for the impact on routine licensing actions, work on approximately 90 licensing actions will be deferred until FY 2005. Approximately 50 of these actions have already been identified and will exceed 1 year at the end of FY 2004. The remaining actions will be identified as new applications are received from licensees. In determining which licensing actions to defer, NRR considered the following criteria in descending order of significance:

- ▶ Review of the action will not exceed the 2-year age goal.
- ▶ The action is of low safety significance.
- ▶ The action is of low priority for the licensee.

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- ▶ The action is not related to an outage.
- ▶ The action is primarily based on reducing operational costs.
- ▶ Technical issues exist that require an extensive response from the licensee and for which there is expected to be a long delay.
- ▶ Extensive precedent exists for the action such that PMs can perform the review.

For the actions selected to defer, not all of the criteria were necessarily met. However, in all cases the actions selected will not exceed the 2-year age goal, are of low safety significance, identified by the assigned PM as low significance to the licensee, and not identified as related to an outage. Prior to suspending the review of these actions, the staff will discuss the deferral with the licensee and once the final decision is made, the affected licensees will be notified in writing of the deferral of the specific licensing actions.

As a result of deferring these licensing actions, by the end of FY 2004, the size of the licensing action inventory will most likely exceed the goal of ≤ 1000 and the goal of completing 96 percent of licensing actions within 1 year will not be met¹. This information was communicated to Congressional stakeholders in the March 2004 Report to Congress. Effects of deferring licensing actions in FY 2004 may carry over to FY 2005 in that the inventory going into FY 2005 will be older and likely greater than the Performance Plan goals. However, deferral of licensing actions in FY 2004 will not impact the 2-year age goal in FY 2005, and for FY 2005 NRR will change its Operating Plan and Performance Plan 1-year age and inventory goals to ≥ 90 percent based on an open inventory of ≤ 1200 licensing actions. NRR will work towards improving the Operating Plan and Performance Plan inventory and 1-year age goals beyond FY 2005. The resources budgeted for licensing actions in FY 2005 and beyond will be appropriately focused in order to meet these goals. Resources for emergent activities in FY 2005 and beyond will be funded through the Planning Budgeting and Performance Monitoring (PBPM) process.

Other effects of supporting SPRT include deferral of certain updates to NRR office instructions, cancellation of one of the two NRR sponsored Regional Division Directors' Counterpart meetings, deferral of licensing workshops (including PM support to periodic Licensing Action Task Force meetings), elimination of DLPM support to the baseline inspection program, suspension of PM reviews of technical specification bases and Updated Final Safety Analysis Report changes, and suspension of licensing assistant (LA) reviews of meeting notices, meeting summaries, and requests for additional information. For each activity deferred, suspended, or canceled, NRR assessed the impact on organizational effectiveness and efficiency, and determined that the activity could be deferred with minimal impact. Further, NRR assessed each deferred activity to ensure internal and external stakeholder commitments were appropriately considered. Finally, providing this level of support to the SPRT has severely affected NRR's ability to support developmental rotational opportunities for its staff.

NRR will provide five PMs, one section chief, one full-time LA, one full-time secretary, and one part-time LA to support SPRT. This will directly affect the project management for Columbia Generating Station, Grand Gulf, Point Beach, Salem, and Watts Bar nuclear power plants, and

¹NRR will not meet the inventory or 1-year age goals in FY 2004 (increased resources would be required to achieve these goals), but will meet a goal of ≥ 90 percent of licensing actions being completed within 1 year based on an open inventory of ≤ 1200 licensing actions.

interactions with Westinghouse and the Electric Power Research Institute. Furthermore, efficiency and effectiveness of the processing of licensing actions for a number of Region II plants will be indirectly affected due to the dedication of the associated section chief to the SPRT. In addition to the direct impact on licensing actions, a direct impact on the licensees for these facilities results from the need to assign new PMs to each of the sites as well as assign PMs to multiple sites. This leads to a loss in efficiency as the PMs develop an understanding of the status of ongoing licensing actions and issues associated with their new sites. An indirect impact of the assignment of new PMs is a reduction in the effectiveness of communication as the PMs develop relationships with the licensees and vendors. The impact of providing the LAs and secretary is that the review and processing of licensing actions will take longer to achieve, reflecting a decrease in effectiveness. This affects the ability of the organization to complete the review of licensing actions within the 1-year Performance Plan goal.

In conclusion, the ability of NRR to meet a number of its Performance Plan goals is affected. While the 1500 licensing action completion goal will be exceeded, the size of the licensing action inventory will most likely exceed the goal of ≤ 1000 and the goal of completing 96 percent of licensing actions within 1 year will not be met. NRR is committed to meeting the Performance Plan goal of completing 100 percent of licensing actions within 2 years, and therefore, no actions that would challenge this goal will be deferred. Another measure of the impact is the effect on the staff. With the dedication of five PMs to the SPRT, more PMs will have responsibility for multiple sites. In addition, the ability of NRR to support developmental rotational opportunities will be limited. Finally, by providing support to SPRT, NRR will no longer be able to absorb new challenges without shedding additional work through the PBPM process.

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FROM SUPPORT OF THE REVIEW OF SECURITY PLAN CHANGES

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