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AUG 21 1992

ABB Combustion Engineering Nuclear Power
ATTN: Dr. Richard S. Siudek, President,
Nuclear Fuel
P.O. Box 500
Windsor, CT 06095-0500

Dear Dr. Siudek:

This letter is to confirm the participation of Combustion Engineering in a survey of the impact of NRC regulation on safety. In a recent meeting between you and Mr. Robert Bernero, Director, Office of Nuclear Material Safety and Safeguards, Mr. Bernero explained to you the purpose and conduct of the survey. We would like to interview the personnel listed below at the Combustion Engineering facility in Hematite, Missouri on September 30, 1992. I invite your suggestions on the schedule and on the personnel to be interviewed in light of the objectives of the survey and the areas of inquiry described below.

The purpose of the regulatory impact survey is to obtain the views of fuel cycle and materials licensees regarding the effectiveness and cost of NRC's regulatory program with respect to both safety and safeguards. Phase I of the survey will consist of interviews by a small team of NRC staff at nine fuel cycle and major materials facilities. We want to determine your perceptions of the overall impact of a number of NRC regulatory activities on the safe operation of your facility. NRC will evaluate the information gathered through this survey in considering what, if any changes should be made to our approach to regulating fuel cycle and materials licensees. We may expand the survey to include a written questionnaire to a sample of licensees, and additional interviews. Confidentiality, both of individuals and of organizations, will be preserved throughout the process.

The teams will conduct a series of interviews with licensee representatives according to a structured protocol. The protocol will consist of questions in six general areas:

1. Regulations, policy and regulatory guidance
2. Licensing
3. Inspections
4. Reporting requirements
5. Enforcement and Investigations
6. Fees

The enclosed summary describes somewhat more fully the areas of inquiry.

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Richard S. Siudek

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The visit is expected to take a full day at your facility. During that time, the NRC team will meet with Combustion Engineering representatives at several different levels, as described in the enclosed schedule. The general areas of inquiry may vary among these groups. For example, there may be little or no discussion of licensing or inspection issues at the level of senior management. Conversely, there may be little or no discussion of enforcement/investigations issues with first level management.

Sincerely,

Carl J. Paperiello,
Deputy Regional Administrator

Enclosures:

- 1. Schedule
- 2. Areas of Inquiry

Distribution: w/o enclosures:

- J. Grobe, RIII
- R. Caniano, RIII
- P. Goldberg, IMOB
- J. Rode, CE Hematite

yes for yes

OFC	NMSB	NMSB <i>W</i>	DRSS <i>W</i>	RAO <i>@pp</i>		NMSS
NAME	<i>yes</i> France <i>GMF III</i>	Wiedeman	Norelius	Paperiello		RBernero
DATE	8/20/92	8/20/92	8/20/92	8/20/92	8/ /92	8/ /92

SCHEDULE OF INTERVIEWS AT COMBUSTION ENGINEERING, INC.
HEMATITE OPERATIONS
HEMATITE, MISSOURI

TIME (8:00-4:30)

DATE September 30, 1992

Areas of Inquiry

Responsible Staff

8:00-9:30

Regulations, Policy &
Regulatory Guidance

Dr. Richard S. Siudek, ' President, Nuclear Fuel;
A. Ed Scherer, Vice President, Regulatory Affairs;
James A. Rode, Plant Manager

Licensing

John F. Conant, Manager Nuclear Materials Licensing; Hal E. Eskridge; Manager, Nuclear Licensing, Safety and Accountability

9:30-9:45

BREAK

9:45-11:15
Inspections

H. Eskridge; Robert Griscom, Manager, Engineering; A. Noack, Superintendent, Production; Robert Miller, Manager, Administration & Production Control

11:15-11:30

BREAK

11:30-12:30
Inspections (cont.)

12:30-1:30

LUNCH

1:30-3:00
Reporting Requirements,
Enforcement &
Investigations

J. Rode; E. Scherer; J. Conant; & H. Eskridge

3:00-3:15

BREAK

3:15-4:30
Fees; Completion
of discussion

Dr. R. Siudek; E. Scherer;
J. Rode; H. Eskridge

Additional Licensee
Staff:

Robert Klotz, Criticality Specialist;
Robert Fromm, Manager, Quality Assurance; Enos Criddle, Health Physics Supervisor

Areas of Inquiry

The team of NRC staff will conduct a series of interviews with licensee representatives according to a structured protocol. The protocol will consist of questions in six general areas:

1. Regulations, policy and regulatory guidance
2. Licensing
3. Inspections
4. Reporting requirements
5. Enforcement and Investigations
6. Fees

In each area, the initial question or questions will establish the level of knowledge of the respondent in that particular area. Subsequent questions in that area will then seek the respondent's views on specific subjects.

In the discussion of regulations, policies and regulatory guidance, interviewers will ask questions designed to elicit the licensee's views on the impact of the NRC regulatory framework on safety and safeguards. Questions will address cost versus safety benefit, the clarity and utility of current regulatory guidance, alternatives to the current regulatory framework, the commenting process for NRC regulations, and NRC's overall responsiveness to licensee needs and concerns.

The questions on licensing will address the effectiveness and efficiency of the NRC licensing process. Specifically, the interviewers will inquire about whether NRC guidance is adequate to permit licensees to prepare an application for amendment or renewal of a license, the licensee's view of NRC's handling of the application, the predictability of the licensing process, and whether and how the process should be changed.

With respect to inspections, the interviewers will question the licensee to determine if inspections are conducted in a manner that meets NRC's objective of reviewing a sample of licensee activities to assure safety without being an undue burden on the licensee. Interviewers will request views on the overall knowledge and professionalism of the inspector, the effectiveness with which the inspection is performed, whether inspection findings are communicated clearly, and the extent to which inspections focus on appropriate safety or safeguards matters.

Interviewers will also address reporting requirements. The objective of these questions is to determine if, in the licensee's view, NRC requirements appear to meet genuine regulatory needs and whether the safety or safeguards value of the information is worth the burden on the licensee. To attain this objective, the interviewers will probe the licensee's experience with both routine and non-routine reporting to NRC, how those reports appear to have been handled, and the cost or burden associated with reporting.

The purpose of the questions on enforcement and investigations is to determine how effective these processes are in promoting safety and safeguards. Interviewers will address the conduct and utility of enforcement conferences, the clarity of communications from those conferences, and whether the process contributes to overall nuclear safety and safeguards. For those licensees who have had an OI investigation at their facility, the interviewers will address the professionalism with which the investigation was conducted, communication of the results and the timeliness of that communication.

Finally, interviewers will address the issue of fees. Licensees will be asked to comment on the overall impacts of NRC fees and, more specifically, the impacts of fees, if any, on activities related to safety and safeguards.