



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
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September 2, 2005

MEMORANDUM TO: Douglas M. Collins, Director
Division of Fuel Facility Inspection

THRU: David A. Ayres, Chief */RA/ W. Gloresen for*
Fuel Facility Inspection Branch 1
Division of Fuel Facility Inspection

FROM: Stephen R. Caudill, Senior Fuel Facility Inspector */RA/*
Fuel Facility Inspection Branch 1
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SUBJECT: SUMMARY OF AUGUST 4, 2005, NRC - INDUSTRY WORKSHOP ON
DRAFT NUCLEAR FUEL FACILITY INSPECTION PROCEDURES

On August 4, 2005, U.S. Nuclear Regulatory Commission (NRC) staff met with representatives from the Nuclear Energy Institute (NEI), nuclear fuel cycle industry, and other stakeholders, for a workshop to discuss proposed revisions to the nuclear fuel facility inspection procedures. The workshop was held in the NRC's Region II Office in Atlanta, Georgia.

The attendees also discussed potential revisions to the NRC's Enforcement Policy for nuclear fuel facilities. The discussions on the Enforcement Policy concerned its potential alignments to the risk-informed aspects of 10 CFR Part 70, as well as proposed modifications to it for semblance to the Reactor Oversight Program.

On July 6, the proposed revisions to the inspection procedures were posted on the NRC ADAMS Public Document Website (ADAMS Accession No. ML051810402). A public meeting notice was issued on July 7, 2005, and was posted on the NRC's external (public) web page (ADAMS Accession No. ML051880425). The notice included the meeting agenda, which was later revised and available as a handout at the meeting.

The summary of the workshop is attached, and includes the list of attendees, workshop agenda, handouts, and presentation slides from the NRC, industry, and NEI representatives.

This summary contains no proprietary or classified information.

Attachments: 1. Summary of Workshop on Draft Fuel Facilities Inspection Procedures
2. NRC's Presentation Slides
3. NEI Handout
4. NRC Presentation on Enforcement
5. Industry Presentation on Enforcement
6. Workshop Attendees

Date: August 4, 2005
Place: NRC Region II Conference Room, Atlanta, Georgia
Attendees: See Attachment 6

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MEETING SUMMARY
FUEL FACILITY INSPECTION PROCEDURES WORKSHOP
AUGUST 4, 2005

Purpose:

The purpose of this workshop was for NRC staff to meet with external stakeholders to discuss the proposed revised fuel facility inspection procedures. Other topics were related to possible revisions to the enforcement policy for fuel facilities. This secondary topic focused on recommendations to better risk-inform enforcement actions, and to consider credit for licensees with effective corrective action programs.

Discussion:

The meeting began with welcoming remarks by Dr. William Travers, the Region II Regional Administrator. Dr. Travers discussed the NRC goal to better risk-inform the inspection procedures in light of the revisions to 10 CFR Part 70 and the licensees' associated efforts to perform integrated safety analyses.

Mr. Chip Cameron, of the NRC's Office of General Counsel, introduced himself and explained his role as the meeting facilitator.

Mr. David Ayres, Chief of the Division of Fuel Facilities Branch 1, presented a more detailed discussion concerning the basis for the decision to revise the IPs. Mr. Ayres' presentation listed the proposed procedures which were newly developed, revised, and eliminated. He then discussed the reasons for these changes. Mr. Ayres stated that the NRC's three main goals were to:

1. Emphasize a risk-informed focus for inspection requirements, especially new criteria which explicitly addressed requirements of the revised 10 CFR 70, such as items relied on for safety (IROFS) and management measures;
2. Consolidate and reduce duplication among the procedures and technical safety disciplines; and
3. Create a more uniform procedure format and content.

Mr. Ayres gave several examples describing how the draft procedures attempted to meet each of the three goals. He then opened the floor to comments by the industry representatives on the specific procedures.

The discussions began with comments by industry representatives on the draft IP 880XX, "Plant Safety Modifications." Primarily, they noted positively that the Inspection Requirements Section focused on risk-informed issues, but were concerned that the Inspection Guidance Section appeared too prescriptive. Furthermore, the industry representatives noted that several inspection focus areas in the Guidance Section did not apply at some nuclear fuel cycle facilities, for example snubbers, pipe hangers, and seismic-related support structures.

The NRC staff replied that the IP's Guidance Section was written in a way that inspectors could use it at all the fuel fabricators, not only those licensed under 10 CFR Part 70. The NRC staff stated that inspectors would use their judgement on using the Guidance Section, based on the site-specific characteristics of the plant being inspected.

The discussions on IP 880XX elicited a general concern from the industry representatives that the recommendations in the IPs' Guidance Sections would become de facto regulatory requirements. These particular comments were helpful for the NRC staff developing the IPs. In that regard, the procedure developers will focus their efforts to ensure that revisions to the Guidance Section contents are written solely to aid the inspectors, while avoiding the implication of being requirements.

Dennis Morey, Senior Nuclear Criticality Safety (NCS) Inspector, then gave a presentation on the three revised draft NCS procedures. The licensees' discussions on this presentation reflected the following major points:

1. Guidance from NUREG-1520, "Standard Review Plan for the Review of a License Application for a Fuel Cycle Facility," was inappropriate to put in IP 8801X, "NCS Program," because most facilities were licensed before this NUREG was written. (NUREG-1520 was developed based on revisions to 10 CFR Part 70, to assist license reviewers in evaluating new applications, proposed amendments, and license renewal applications);
2. IP 8801X was too rigid to adequately inspect specific license commitments at the different facilities; and
3. The NRC singled out the NCS discipline for a separate special inspection focus, as opposed to other safety disciplines, with similarly complex analytical components, such as radiation protection or fire protection.

Several industry representatives agreed that the analytical component of NCS may need a separate inspection focus, but that the implementation of the operational NCS program should be integrated into the operations, maintenance, and training IPs.

Next, the industry representatives presented a handout for discussion, entitled "Philosophy/Hierarchy," which was a matrix of Inspection Program elements consisting of columns for: Importance, Risk-informed, and Prescriptive, and rows for Critical, Important, and Minor. The industry representatives then framed this discussion in light of another matrix with columns for the major safety disciplines: NCS, Radiation Protection, Chemical Safety, and Fire Protection, balanced by rows for the inspection components: Analytical, Programmatic, and Operational.

In the afternoon session, Lawrence Berg, NCS Inspector, presented a proposal for risk-informing the enforcement process related to 10 CFR 70 facilities. Mr. Berg's discussion summarized the potential consideration of non-IROFS in the event an IROFS has failed. If the non-IROFS were also subject to adequate management measures and reliability demonstrations, then NRC could possibly consider those factors in validating that performance requirements were still met considering the IROFS failure. In summary, the aforementioned circumstances could possibly be considered as mitigating circumstances for NRC enforcement decisions.

John Nagy, Nuclear Fuel Services, Inc.'s Licensing Manager, followed MR. Berg's presentation with another enforcement-related discussion. Mr. Nagy's presentation also discussed the consideration of mitigating factors for NRC enforcement decisions. In particular, the following three items:

1. The effectiveness of the licensee's Problem Identification and Resolution Program;
2. The quantitative difference between an exceeded IROFS control limit and the actual safety limit where an accident would likely occur; and
3. Considerations for relatively short duration periods of non-compliance compared to those occurring over longer durations.

In summary, Mr. Nagy's presentation suggested that the NRC should consider modifying the fuel facilities' Enforcement Policy to be similar to that used in the Reactor Oversight Program.

In concluding the meeting, the NRC and industry representatives discussed tentative dates for the next steps in the procedure revision and implementation process. The NEI representatives stated that their written draft comments on the IPs would be formally submitted within 30 days. The NRC representatives stated that they would attempt to have the final procedures ready by October 1, 2005, but that other IPs - without listing those specifically - may need additional work beyond that date.

