

February 6, 2006

Mr. Dealis W. Gwyn, Licensing Manager
Duke Cogema Stone & Webster
P.O. Box 31847
Charlotte, NC 28231-1847

SUBJECT: FUEL CYCLE FACILITY PERFORMANCE INDICATOR PROGRAM

Dear Mr. Gwyn:

The Commission has requested that the NRC staff engage stakeholders, and evaluate the feasibility of developing facility-specific performance indicators that could be of use in the NRC's licensing and oversight process. The proposed performance indicator (PI) program will be consistent with the philosophy of risk-informed, performance-based regulation and will be created in a manner that complements 10 CFR Part 70 fuel cycle regulation and inspection. The overall staff goal is to develop a PI program that improves the effectiveness and efficiency of the oversight process, and, to this end, we are asking for your input.

The proposed PI program was recently discussed at the quarterly meeting between the Office of Nuclear Material Safety and Safeguards, and the Nuclear Energy Institute on January 19, 2006. As was mentioned at the meeting, the focus of the PI program will be on safety indicators rather than security indicators. A desired outcome of this program will be to provide licensees and the NRC a further means to more fully implement a performance-based, risk-informed safety program. We expect to use insights from the PI program, the integrated safety analyses, the inspection program, and licensee performance reviews to enhance the overall oversight process.

The staff is considering a PI program that will have a combination of common PIs for all fuel cycle facilities and some facility-specific indicators, and thresholds tailored to fit a given facility based on its specific processes. In order for us to do as much early assessment as possible before meeting with stakeholders, please provide your input to the following questions by February 27, 2006.

1. What unique aspects of your facility do you believe should be taken into consideration as we propose facility-specific PIs?

D. Gwyn

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2. What suggestions do you have for potential PIs and/or PI thresholds that might be applied specifically to your facility?

Please direct any questions to Yawar Faraz, of my staff, at (301) 415-8113.

Sincerely,

/RA/

Melanie A. Galloway, Chief
Technical Support Group
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-3098

D. Gwyn

- 2-

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