November 15, 2007

Mr. Scott P. Murray, Manager
Licensing & Liabilities
Global Nuclear Fuel - Americas
3901 Castle Hayne Road
P.O. Box 780, M/C K84
Wilmington, NC 28402

SUBJECT: INVITATION TO PARTICIPATE IN SAFETY CULTURE PILOT STUDY

Dear Mr. Murray:

I would like to extend an invitation, to participate, as a one of two U.S. Nuclear Regulatory Commission (NRC) fuel cycle facility licensees, in the NRC's Safety Culture Pilot Study (Study). I understand that Global Nuclear Fuel – Americas is interested in this Study and I would greatly appreciate the facility's participation in this endeavor.

The NRC recognizes that safety culture is important for all licensees. Over the past three years, the staff developed several changes to the Reactor Oversight Process (ROP) to more fully address safety culture[1]. The Director of Nuclear Material Safety and Safeguards (NMSS) recently initiated a Study for fuel cycle facilities. The purpose of this initiative is to assess whether safety culture components developed for the ROP Safety Culture Initiative are applicable, or can be modified to be applicable to fuel cycle licensees, and if so, how to best incorporate them into the NMSS inspection program and processes.

The approach taken for the fuel cycle facilities may be different than that developed for reactors, because the regulatory framework is different. The NMSS Study will allow the NRC to use what was learned while addressing safety culture for reactors, when developing an approach that fits within the NMSS regulatory framework for fuel cycle facilities. We are interested in: (1) what currently exists in the NMSS inspection program and procedures that address components of safety culture, albeit, not termed as such, and (2) fuel cycle facility processes that address components of safety culture on a broad scale, (e.g., corrective action programs, training, etc.).

The purpose of the Study is to gather information to make informed decisions regarding any potential changes to the regulatory framework that incorporate components of safety culture. It is not to make judgments about the licensee's specific programs, processes, and procedures regarding safety culture. The pilot will consist of two phases: (1) information gathering

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[1]The NRC issued Regulatory Issue Summary (RIS) 2006-13 (ML061880341) to provide information to nuclear power reactor licensees and their contractors regarding changes made to the ROP, to more fully address safety culture. Background information, issues, a summary of the ROP safety culture approach, and safety culture components (Appendix A), that were developed by the NRC safety culture working group, are discussed in this document.

(Phase I), and (2) implementation (Phase II). We plan to complete all information gathering and evaluate the results for Phase I by April 2008, and begin to develop an implementation strategy shortly thereafter. We hope to complete the development of our test strategy and communicate the results of this work by the end of December 2008. We estimate that we will start to implement our test strategy by January 2009. Throughout the pilot we will provide opportunities for the participating licensees to provide feedback, which will be considered in the evaluation and refinement of the pilot project.

The pilot project is designed so that it will not be intrusive and will not require a large expenditure of resources to the participating licensees. Besides a site visit, for information gathering, during Phase I, the participants are encouraged to provide occasional feedback and follow the study. We do not anticipate any work on your part regarding Phase II.

Assuming you accept this invitation, some members of the NMSS Study Team will make a site visit to your facility, at a mutually agreeable time, to discuss your organization's programs/processes that are related to the components of safety culture. The NMSS Lead for this Study will provide more information regarding the conduct of the site visit in the near future. Please note that we are not requiring any prepared statements or presentations, however, if you wish to provide any background material to aid our Team in understanding your program/processes, related to safety culture components, please feel free to do so.

The Study Lead for NMSS is Amy M. Snyder, of my staff. Please let her know by November 30, 2007, via email or letter, if your facility will be participating in this important study and the point of contact to coordinate the NRC site visit. Please contact Ms. Snyder if you have any questions at 301-492-3225, or via email to ams3@nrc.gov.

Sincerely,

/RA/

Robert C. Pierson, Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

cc:
Mr. Felix.Killar,
Nuclear Energy Institute
1776 I Street, N.W.
Suite 400
Washington, D.C. 20006

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