May 15, 2008

MEMORANDUM TO: Glenn Tracy, Director
Division of Construction Inspection and Operational Programs
Office of New Reactors

Loren Plisco, Deputy Regional Administrator, Construction
Region II

FROM: Richard Rasmussen, Chief **/RA/**
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Office of New Reactors

SUBJECT: STAFF'S PLAN TO RELEASE THE LIST OF TARGETED INSPECTIONS, TESTS, ANALYSES, AND ACCEPTANCE CRITERIA TO PUBLIC

The purpose of this memorandum is to inform you that the staff plans to publicly release the list of inspections, tests, analyses, and acceptance criteria (ITAAC) that the staff has targeted to inspect (targeted ITAAC) as part of the ITAAC closure verification process. The staff has developed lists of targeted ITAAC for the advanced passive 1000 reactor design and the advanced boiling water reactor design, and plans to develop similar lists for other plant designs currently being licensed.

In the Staff Requirement Memorandum (SRM) SECY-07-0047, dated May 16, 2007, the Commission approved the staff's approach for selecting ITAAC to be given inspection priority. The Commission also directed the staff, among other things, to engage the public, industry, and other stakeholders to obtain their views on the NRC construction inspection program using a public meeting approach. Subsequently, to date, the staff has conducted eight public meetings to obtain external stakeholders' views on issues regarding the development of the construction inspection program, including various issues concerning the ITAAC selection, verification and closure process. During these public interactions, the external stakeholders asked if the staff would release the list of targeted ITAAC to the public. Subsequently, the staff decided to make the list of targeted ITAAC publicly available.

The underlying principles for the staff's decision are based on openness, inspection effectiveness, and process efficiency and are further described below:

- The public release of the targeted ITAAC lists promotes openness and transparency in the NRC regulatory process. Openness and transparency will provide an opportunity for stakeholders to better understand, scrutinize, and provide feedback on the construction inspection program.

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- Release of the targeted ITAAC list for inspection would be consistent with the NRC practices under the reactor oversight process (ROP). Specifically, under the ROP, the NRC publicly announces its baseline inspections of operating reactors 18 months ahead of inspections. Although the specific structures, systems, and components (SSCs) targeted for inspection are not announced ahead of inspections, licensees are informed which SSCs will be inspected during the inspection preparation phase in order to provide necessary information on the SSCs to be inspected by the NRC.

- The public release of the targeted ITAAC lists will promote fairness to all licensees. Specifically, it will level the playing field for all applicants because, if the targeted ITAAC lists were not made public, subsequent licensees would be able to identify the targeted ITAAC based on reviews of NRC inspection reports.

- Although some of the staff believed that releasing the list might compromise the inspection program, the public release of this information is not likely to compromise or result in adverse consequence to the NRC inspection program. Typically, but not always, the ITAAC closure verification inspections are based on a “sample-of-the-sample” approach. Using this approach the list of targeted ITAAC does not provide details on the specific item(s) that will be directly inspected. For example, primary system welds are included in the targeted ITAAC inspection list but the licensee will not know the specific welds that the NRC will inspect.

- The licensee remains responsible for submitting a notification letter in accordance with 10 CFR 52.99, “Inspection during Construction,” that each and every ITAAC has been completed satisfactorily. The NRC subsequently verifies closure of all ITAAC through direct inspection or other methods, such as oversight of the licensee’s ITAAC completion, closure, and approval processes. The public release of the targeted ITAAC lists does not encourage the licensee to inappropriately focus on targeted ITAAC only.

- Inspection of construction processes and programs will be performed independent of targeted ITAAC. The staff developed Inspection Manual Chapter (IMC) 2504, “Non-ITAAC Inspections,” that implements inspection of licensee construction programs, the engineering design change process, operational programs, pre-operational and startup testing, and overall operational readiness. Hence, the NRC retains another element of unannounced inspections. Additionally, IMC 2505, “Periodic Assessment of Construction Inspection Program Results” contains provisions to expand the NRC inspections of ITAAC based on licensee performance.

- The public release of targeted ITAAC lists will facilitate the exchange of schedule information with the licensees. Exchange of schedules that contain a designation for targeted ITAAC will enable the NRC to more effectively and efficiently schedule the inspection of the targeted ITAAC samples.

Based on the above discussion, the staff plans to release the lists of targeted ITAAC publicly.

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