April 21, 2010

Mr. Russ Bell, Director
New Plant Licensing
Nuclear Generation Division
Nuclear Energy Institute
1776 I Street, NW, Suite 400
Washington, DC 20006-3708

SUBJECT: RESULTS OF THE U.S. NUCLEAR REGULATORY COMMISSION STAFF REVIEW OF NEI 08-02 "CORRECTIVE ACTION PROCESSES FOR NEW NUCLEAR POWER PLANTS DURING CONSTRUCTION" REVISION 3.

Dear Mr. Bell:

By letter dated February 19, 2010, the Nuclear Energy Institute (NEI) submitted NEI 08-02, revision 3, "Corrective Action Processes for New Nuclear Plants During Construction," for review and endorsement in a Regulatory Guide. Your letter and NEI 08-02 can be accessed through the NRC's Agencywide Documents Access and Management System (ADAMS) at Accession Number ML100540894. This submittal is the result of our final discussions on this subject and addresses comments previously provided by the NRC staff. The comments provided were based on the NRC staff review of your previous submittal of the draft NEI 08-02, revision 3b (Accession No. ML100321499) dated November 19, 2009 and discussed at the public meetings held on December 8, 2009 and January 15, 2010 (ADAMS Accession Nos. ML093580216 and ML100330769).

NRC staff and NEI started preliminary discussions on the industry's desire to develop a corrective action process guidance document for new reactor construction in a Category 2 public meeting held on June 17, 2008 (ADAMS Accession No. ML081750448). The scope of the proposed document was intended to address the different challenges in identifying and correcting conditions adverse to quality (CAQ) that would arise at a construction site. This document proposed to handle a CAQ through the work processes and provide guidance through the development of a table to help a licensee classify and categorize issues that most likely would occur during the construction of a nuclear reactor. NRC staff review of this proposal resulted in a letter to NEI dated July 8, 2009 (ADAMS Accession No. ML091680080), specifically stating four major concerns that the NRC had with the document.

The comments provided by the NRC staff centered around: 1) clearly specifying the regulatory requirements for which the document was providing guidance; 2) providing an adequate description of the process to determine significance of CAQs; 3) ensuring that inspection, tests, analyses and acceptance criteria (ITAAC) deficiencies would be handled in a manner consistent with the guidance provided in NEI 08-01; and 4) use of corrective action program terminology and inclusion of reactor oversight program attributes in NEI 08-02.

At the January 15, 2010 public meeting, the NRC staff noted that significant progress had been made by the industry in addressing many of the staff comments. The NRC staff review determined that the guidance provided for implementing a corrective action process per NEI 08-02 revision 3 meets the requirements of 10 CFR 50 Appendix B Criterion XVI. As such, there is no impediment to licensees using the NEI guidance in the development of their corrective action

programs. However, the NRC staff has decided that formal endorsement via the NRC's Regulatory Guide process would not be pursued until experience is gained in the implementation of NEI 08-02 revision 3 by the industry. The reasons for the NRC staff's reservations are the substantial previous operating experience and lessons learned at both operating plants and during prior construction that have repeatedly demonstrated that there are significant challenges to implementing multiple and diverse corrective action processes onsite. These challenges include establishing and implementing consistent thresholds for problem identification, initial screening for safety significance, and adequate trending for generic implications.

The NRC will periodically evaluate the effectiveness of licensees' implementation of corrective action processes at construction sites in accordance with Appendix B to 10 CFR 50, the approved combined license, and NRC inspection procedure 35007, "Quality Assurance Program Implementation During Construction." This will include evaluating the effectiveness of the NEI 08-02 guidance for those licensees that choose to implement it. The NRC will consider issuing a Regulatory Guide for NEI 08-02 following a sustained period of implementation by the industry, review through inspection by the NRC, and evaluation of lessons learned and procedure revisions by the industry to address these lessons learned.

I would like to again thank NEI and industry representatives for their substantial effort revising NEI 08-02 and for meeting with the staff in the development of this important guidance document. If you have any questions regarding the information contained in this letter, please contact Mr. Timothy Frye at 301-415-3900.

Sincerely,

/RA/

Glenn Tracy, Director
Division of Construction Inspection
& Operational Programs
Office of New Reactors

programs. However, the NRC staff has decided that formal endorsement via the NRC's Regulatory Guide process would not be pursued until experience is gained in the implementation of NEI 08-02 revision 3 by the industry. The reasons for the NRC staff's reservations are the substantial previous operating experience and lessons learned at both operating plants and during prior construction that have repeatedly demonstrated that there are significant challenges to implementing multiple and diverse corrective action processes onsite. These challenges include establishing and implementing consistent thresholds for problem identification, initial screening for safety significance, and adequate trending for generic implications.

The NRC will periodically evaluate the effectiveness of licensees' implementation of corrective action processes at construction sites in accordance with Appendix B to 10 CFR 50, the approved combined license, and NRC inspection procedure 35007, "Quality Assurance Program Implementation During Construction." This will include evaluating the effectiveness of the NEI 08-02 guidance for those licensees that choose to implement it. The NRC will consider issuing a Regulatory Guide for NEI 08-02 following a sustained period of implementation by the industry, review through inspection by the NRC, and evaluation of lessons learned and procedure revisions by the industry to address these lessons learned.

I would like to again thank NEI and industry representatives for their substantial effort revising NEI 08-02 and for meeting with the staff in the development of this important guidance document. If you have any questions regarding the information contained in this letter, please contact Mr. Timothy Frye at 301-415-3900.
.

Sincerely,

/RA/

Glenn Tracy, Director
Division of Construction Inspection
& Operational Programs
Office of New Reactors

DISTRIBUTION:

PUBLIC	RidsNroDcipCcib	RidsOgcMailCenter
CCIB r/f	RidsOpaMail	RidsAcrsAcnwMail
RidsNroDcip	RidsRgn2MailCenter	SBurrows

Accession Number:ML100740485 NRO-002

OFFICE	NRO/DCIP/CAEB	NRO/DNRL/NRGA	RGN II	NRR/QA	OGC	NRO/DCIP
NAME	T. Frye	W. Burton	L. Plisco*	D. Thatcher*	M. Zobler*	G. Tracy
DATE	03/24/10	03/24/10	04/15/10	04/20/10	04/20/10	04/21/10

OFFICIAL RECORD COPY