

NUCLEAR REGULATORY COMMISSION

**Criteria for Nominating Materials Licensees for the
U.S. Nuclear Regulatory Commission's Agency Action Review Meeting**

[NRC-2010-0294]

AGENCY: Nuclear Regulatory Commission.

ACTION: Request for comment.

SUMMARY: It is the policy of the U.S. Nuclear Regulatory Commission (NRC) to have its senior managers conduct an annual Agency Action Review Meeting (AARM). The AARM is an integral part of the evaluative process used by the agency to ensure the operational safety performance of licensees. As a part of the AARM process, the NRC reviews the agency's actions concerning fuel cycle facilities and other materials licensees (including Agreement State licensees) with significant performance concerns. In 2002, the NRC developed criteria for determining materials licensees that would be discussed at the AARM. The NRC revised the criteria to incorporate NRC's current policies and procedures in 2008. The criteria that is currently used to determine materials licensees that will be discussed at the AARM may be found in Enclosure 2 of SECY-08-0135, "Revision of the Criteria for Identifying Nuclear Materials Licensees for Discussion at the Agency Action Review Meeting," dated September 16, 2008 (ADAMS Accession Number: ML082480564).

Currently, the NRC is considering revisions to this criteria for Identifying Materials Licensees for Discussion at the AARM. A draft revised criterion found in the supplementary information below provides an additional criterion to address licensees previously discussed at

the AARM. The reason this additional criterion has been added is to allow NRC's senior management to address why the previously identified issues are not being resolved. The NRC is seeking public comment on this revised criterion.

DATES: Please submit comments regarding the proposed criteria, by **[insert 45 days from date of publication]**. Comments received after this date will be considered if practical to do so, but the NRC staff is able to ensure consideration only for those comments received on or before this date.

ADDRESSES: You may submit comments by any one of the following methods. Please include Docket ID **NRC-2010-0294** in the subject line of your comments. Comments submitted in writing or in electronic form will be posted on the NRC website and on the Federal rulemaking website, <http://www.regulations.gov>. Because your comments will not be edited to remove any identifying or contact information, the NRC cautions you against including any information in your submission that you do not want to be publicly disclosed.

The NRC requests that any party soliciting or aggregating comments received from other persons for submission to the NRC inform those persons that the NRC will not edit their comments to remove any identifying or contact information, and therefore, they should not include any information in their comments that they do not want publicly disclosed.

Federal Rulemaking Website: Go to <http://www.regulations.gov> and search for documents filed under Docket ID **NRC-2010-0294**. Address questions about NRC dockets to Carol Gallagher 301-492-3668; e-mail Carol.Gallagher@nrc.gov.

Mail comments to: Cindy Bladey, Chief, Rules, Announcements and Directives Branch (RADB), Division of Administrative Services, Office of Administration, Mail Stop: TWB-

05-B01M, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001, or by fax to RADB at (301) 492-3446.

You can access publicly available documents related to this notice using the following methods:

NRC's Public Document Room (PDR): The public may examine and have copied, for a fee, publicly available documents at the NRC's PDR, Public File Area O1 F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland.

NRC's Agencywide Documents Access and Management System (ADAMS): Publicly available documents created or received at the NRC are available electronically at the NRC's Electronic Reading Room at <http://www.nrc.gov/reading-rm/adams.html>. From this page, the public can gain entry into ADAMS, which provides text and image files of NRC's public documents. If you do not have access to ADAMS or if there are problems in accessing the documents located in ADAMS, contact the NRC's PDR reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. The Proposed Criteria for Identifying Materials Licensees for Discussion at the AARM is also available electronically under ADAMS Accession Number ML101900346.

Federal Rulemaking Website: Public comments and supporting materials related to this notice can be found at <http://www.regulations.gov> by searching on Docket ID: **NRC-2010-0294**.

FOR FURTHER INFORMATION CONTACT: Duane White by telephone at 301-415-6272, E-mail: Duane.White@nrc.gov.

SUPPLEMENTARY INFORMATION

BACKGROUND

In 2002, NRC developed a process for providing information to the Commission on significant nuclear materials issues and adverse licensee performance. This process was discussed in SECY-02-0216, "Proposed Process for Providing Information on Significant Nuclear Materials Issues and Adverse Licensee Performance," dated December 11, 2002. As part of this process, the staff developed criteria to determine nuclear material licensees with significant performance problems that would be discussed at the AARM. In 2008, the NRC revised the criteria to provide additional clarification regarding the criteria requirements and to incorporate NRC's current policy and procedures.

DISCUSSION

NRC is preparing to revise the current criteria used to determine material licensees that will be discussed at the AARM. The agency currently identifies material licensees, including fuel cycle and Agreement State licensees, for AARM discussion based on operating performance, inspection results, and judgment of the severity of problems of safety performance. Although the revised AARM criteria will continue to be based upon the same principles as the existing criteria, the staff is proposing to include one additional element (i.e., criterion). This criterion focuses on those licensees previously discussed at the AARM who did not address or were ineffective in correcting their underlying issues.

Current Criteria for Determining Materials Licensees for the AARM

The current criteria for determining materials licensees for the AARM, as described in Enclosure 2 of SECY-08-0135, is as follows: (1) Strategic Plan – Licensee has an event that results in the failure to meet a strategic outcome for safety and security in the NRC Strategic Plan (NUREG-1614); (2) Significant Issue or Event – Licensee has an issue or event that

results in an abnormal occurrence report to Congress (per NRC Management Directive 8.1), or a severity level I or II violation, as described in the NRC Enforcement Policy (including equivalent violations dispositioned by Alternative Dispute Resolution), or a level 3 or higher International Nuclear Event Scale Report to the International Atomic Energy Agency (per NRC Management Directive 5.12), and there are unique or unusual aspects of the licensee's performance that warrant additional NRC oversight (e.g., a significant event, which requires an incident investigation team (IIT) or augmented inspection team (AIT)); or (3) Performance Trend – Licensee has multiple and/or repetitive significant program issues identified over more than one inspection, or inspection period, and the issues are supported by severity level I, II, or III violation, as described in the NRC Enforcement Policy (including equivalent violations dispositioned by Alternative Dispute Resolution). And, there are unique or unusual aspects of the licensee's performance that warrant additional NRC oversight (e.g., oversight panel formed for order implementation).

Proposed Criteria for Determining Materials Licensees for the AARM

The NRC is proposing the following revision to the existing criteria for determining materials licensees with significant performance issues: (1) Strategic Plan – Licensee has an event that results in the failure to meet a strategic outcome for safety and security in the NRC Strategic Plan (NUREG-1614); (2) Significant Issue or Event – Licensee has an issue or event that results in an abnormal occurrence report to Congress (per NRC Management Directive 8.1), or a severity level I or II violation, as described in the NRC Enforcement Policy (including equivalent violations dispositioned by Alternative Dispute Resolution), or a level 3 or higher International Nuclear Event Scale Report to the International Atomic Energy Agency (per NRC Management Directive 5.12), and there are unique or unusual aspects of the licensee's performance that warrant additional NRC oversight (e.g., a significant event, which requires an

IIT or AIT); or (3) Performance Trend – Licensee has multiple and/or repetitive significant program issues identified over more than one inspection, or inspection period, and the issues are supported by severity level I, II, or III violation, as described in the NRC Enforcement Policy (including equivalent violations dispositioned by Alternative Dispute Resolution). And, there are unique or unusual aspects of the licensee’s performance that warrant additional NRC oversight (e.g., oversight panel formed for order implementation); or (4) Identified for Discussion at Previous AARM – Licensee corrective actions did not address or were ineffective in correcting the underlying issues that were previously discussed at the AARM.

You can find NRC’s strategic plan (NUREG-1614) and the referenced management directives and enforcement policy on NRC’s public document collections webpage at <http://www.nrc.gov/reading-rm/doc-collections/>.

Dated at Rockville, Maryland, this 25 day of August 2010.

For the Nuclear Regulatory Commission,

/RA/

Cynthia A. Carpenter, Deputy Director
Office of Federal and State Materials
and Environmental Management Programs

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Dated at Rockville, Maryland, this 25 day of August 2010.

For the Nuclear Regulatory Commission,

/RA/

Cynthia A. Carpenter, Deputy Director
Office of Federal and State Materials
and Environmental Management Programs

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