

August 4, 2010

MEMORANDUM TO: R. W. Borchardt
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary **/RA/**

SUBJECT: STAFF REQUIREMENTS – SECY-10-0031 – REVISING THE
FUEL CYCLE OVERSIGHT PROCESS

The Commission has disapproved the staff's plan to develop a revised fuel cycle oversight process as described in the attachment to SECY-10-0031. The Commission looks forward to the staff's concise comparison of integrated safety analyses and probabilistic risk assessment, along with the accompanying review and letter report of the Advisory Committee on Reactor Safeguards, to better inform proposed enhancements to the oversight process.

The staff should continue to look for ways to improve stakeholder and licensee communication, especially with respect to the current assessment of licensee performance.

The staff should make modest adjustments to the existing oversight program to enhance its effectiveness and efficiency. For example, given that most fuel cycle licensees are not required to have a Corrective Action Program (CAP) but have voluntarily developed them, the staff should consider how to best reflect this in the NRC enforcement policy. The staff's approach should provide incentives for licensees to maintain strong CAPs as this is an important facet of sustaining high safety and security performance, and would be consistent with the Commission's ongoing safety culture initiatives. Staff should also implement revisions to the baseline inspection program to credit licensees' effective problem identification and resolutions programs.

In addition to the ISA/PRA comparison paper and in support of future Commission review of the FCOP, staff should undertake a pilot project to develop a set of cornerstones that could be applied to the fuel cycle oversight process. The cornerstones provide the metrics that are used to evaluate performance and the basis for the ultimate development of the action matrix. They are derived from the agency's mission and strategic goals. Unlike the Significance Determination Process, they are largely independent of the method (ISA or PRA) that is employed to assess the impact of inspection findings. Once this pilot project and the ISA/PRA paper are complete, staff should provide the Commission with an assessment of the work accomplished and recommendations for next steps.

cc: Chairman Jaczko
Commissioner Svinicki
Commissioner Apostolakis
Commissioner Magwood
Commissioner Ostendorff
OGC
CFO
OCA
OPA
Office Directors, Regions, ACRS, ASLBP (via E-Mail)
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