

March 4, 2011

MEMORANDUM TO: Patricia A. Silva, Chief
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Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

FROM: Jonathan DeJesus, Project Manager **/RA/**
Technical Support Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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SUBJECT: NOTICE OF FORTHCOMING MEETING ON FUEL CYCLE
OVERSIGHT ENHANCEMENTS

DATE & TIME: Thursday, March 17, 2011, 1:00 p.m. – 5:00 p.m. (EDT)

LOCATION: U.S. Nuclear Regulatory Commission (NRC)
Executive Boulevard Building (EBB)
Room EBB-1 B13
6003 Executive Boulevard
Rockville, Maryland 20852

PURPOSE: The purpose is to discuss the plan and scope of NRC's actions towards developing cornerstones that could be applied to the fuel cycle oversight process (FCOP) and crediting fuel cycle licensees and certificate holders for effective corrective action programs (CAPs) and explain conceptually how the cornerstones and CAP would fit into the revise FCOP.

CATEGORY¹: This is a Category 2 meeting. The public is invited to participate in this meeting by discussing generic regulatory issues with the NRC staff at designated points identified on the agenda.

TELECONFERENCE: Interested members of the public can participate in this meeting via a toll-free teleconference. To use the telephone bridge, call the toll-free number, 1-800-779-9732; at the prompt, enter the pass code: 42898.

¹ Commission's Policy Statement on "Enhancing Public Participation in NRC Meetings" 67 Federal Register 36920, May 28, 2002.

MEETING CONTACT: Jonathan DeJesus, 301-492-3177, jonathan.dejesus@nrc.gov
Interested stakeholders should contact the meeting coordinator by March 15, 2011, indicating their intention to attend. This will ensure that sufficient copies of meeting materials are available.

PARTICIPANTS: Participants from the NRC include members of the Office of Nuclear Material Safety and Safeguards and other NRC organizations. Other participants include representatives from the Nuclear Energy Institute and NRC Fuel Cycle licensees and certificate holders.

Enclosures:

1. Meeting agenda
2. Conceptual Revision to Oversight Process
3. Conceptual Revision to Oversight Process – Narrative (Draft)

cc: See next page

P. Silva

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Meeting Agenda

Cornerstone Development and Credit for an Effective Corrective Action Program in the Fuel Cycle Oversight Process

March 17, 2011
1:00 p.m. – 5:00 p.m.

Introductions – U.S. Nuclear Regulatory Commission (NRC) and attendees

Opening Remarks – NRC and Nuclear Energy Institute (NEI)

Overview of NRC Project Plan to Develop Cornerstones and Give Credit to Licensees and Certificate Holders for an Effective Corrective Action Program (CAP) - NRC

Overview of Conceptual Revision to the Fuel Cycle Oversight Process (FCOP) - NRC

Discussion of Presented Overviews – NEI and NRC

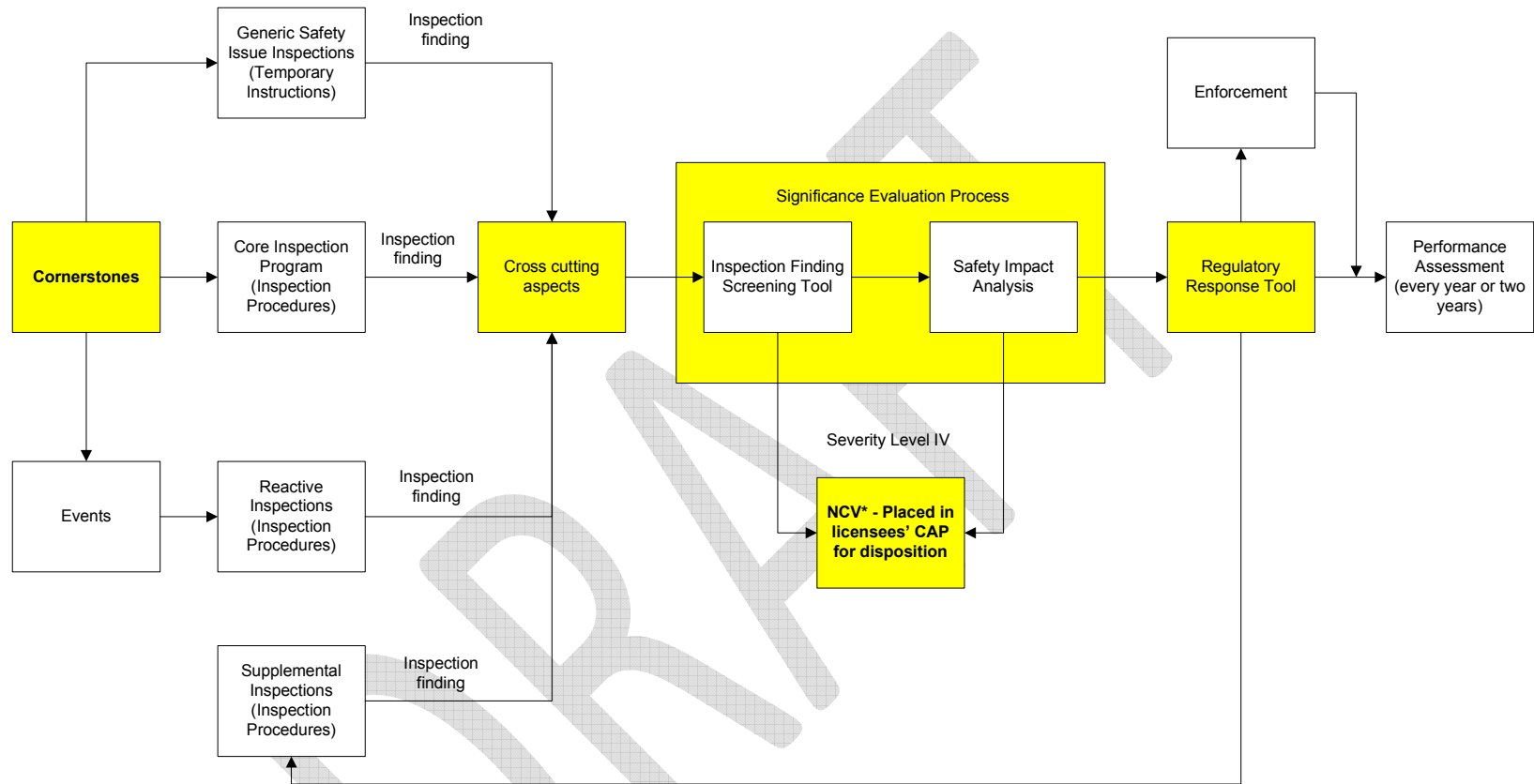
Discussion of CAP Elements - NEI

Path Forward on FCOP

Status of Items Related to Integrated Safety Analyses - NRC

Adjourn

Conceptual Revision to Oversight Process



Yellow blocks indicate new elements that might be present in the revised fuel cycle oversight process

Bolded text in yellow blocks indicate current efforts to revise the fuel cycle oversight process

Inspection finding = a non-compliance with NRC regulations or license conditions that is greater than minor (see Section 2.3.1 of the NRC Enforcement Policy for more information on minor violations)

CAP = Corrective Action Program

Cross cutting aspects to be defined later

* Placing the Severity Level IV violation in the CAP is not the only criteria to disposition it as a Non Cited Violation (NCV). See Section 2.3.2.a of the NRC Enforcement Policy for the additional criteria that must be met.

Conceptual Revision to Oversight Process – Narrative (Draft)

Cornerstones

The U.S. Nuclear Regulatory Commission (NRC) staff under Commission direction (i.e., staff requirements memorandum to SECY-10-0031) will develop a set of cornerstones that could be applied to the fuel cycle oversight process. The cornerstones will inform the NRC staff about the important elements that need to be measured (i.e., objectives) in order to fulfill the NRC's mission. The NRC's mission is to license and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment.

Core Inspection Program

The NRC staff ensures through inspection that the cornerstone objectives are met. The core inspection program contains inspection procedures (IPs) that inspection staff uses to verify that licensees or certificate holders are in compliance with NRC regulations and license or certificate conditions. Compliance with NRC regulations and license or certificate conditions gives reasonable assurance that the NRC's mission is fulfilled. When an inspector determines that the licensee or certificate holder is not in compliance with NRC regulations, or license or certificate conditions, he/she has an inspection finding. Inspection findings do not include minor violations (see Section 2.3.1 of the NRC Enforcement Policy for more information on minor violations).

Cross Cutting Aspects

The inspection finding(s) is (are) compared to each other and past inspection findings to determine if there are any cross cutting aspects. If there is a cross cutting aspect to the inspection finding, the regulatory response to the cross cutting aspect will be executed in the performance assessment process. The significance evaluation process of the inspection finding would be performed normally (i.e., without considering if there is a cross cutting aspect).

Significance Evaluation Process – Inspection Finding Screening Tool

The Inspection Finding Screening Tool serves as a set of criteria that would assist the inspector in evaluating the significance of the inspection finding. The two possible outcomes from the Inspection Finding Screening Tool are a Severity Level (SL) IV violation or that further evaluation is needed. If the results of the evaluation show that the inspection finding is a SL IV violation and all the criteria in Section 2.3.2.a of the NRC Enforcement Policy are met, it would be documented as a non-cited violation (NCV). One of the four criteria in Section 2.3.2.a of the NRC Enforcement Policy is that the violation is entered into the licensee or certificate holder's corrective action program (CAP) to prevent recurrence. If further evaluation is needed, then a safety impact analysis would be performed.

Significance Evaluation Process – Safety Impact Analysis

The concept of this Safety Impact Analysis step is to rank inspection findings in terms of the importance of their impact on safety. The purpose is to efficiently and consistently identify inspection findings of very low safety importance that can be disposed through the licensee or certificate holder's CAP; and to identify those of high importance that should receive more regulatory attention. Traditional factors to consider in such an analysis might include: magnitude of likely adverse effects on workers and public, the probability of adverse effects caused by the inspection finding (delta risk impact), reduction in defense-in-depth, and reduction in safety margins. The goals of such an analysis are to be realistic, roughly accurate, consistent, feasible for most inspection findings, simple, and efficient. Complex or lengthy evaluation methods should be avoided; but NRC guidance should be clear and consistent. The evaluation would place the inspection finding in one set of possible outcome categories, such as: SL IV that would be entered into the licensee or certificate holder's CAP for disposition, or confirms that the finding is a SL III violation or greater (i.e., SL II or SL I). If the results of the evaluation show that the inspection finding is equal or greater than a SL III violation, then the violation would enter a regulatory response tool. Since safety impacts of the same event may differ for workers and the public, there may have to be separate outcome evaluations for these, with the inspection finding then being placed in the higher category.

Regulatory Response Tool

The regulatory response tool would have a predetermined NRC action given the severity category and amount of violations during an assessment period (every year or two years depending on the category of the facility). Regulatory response would include supplemental inspections and enforcement. The actions from the regulatory response tool serve as input to the performance assessment. This would make the performance assessment process more transparent and predictable.

Supplemental Inspections

Supplemental inspections are initiated from past inspection findings that were evaluated to be SL III or greater. The supplemental inspections are predetermined in accordance with the regulatory response tool. These inspections provide more diagnostic inspections of identified problems and issues beyond the Core Inspections.

Performance Assessment

The performance assessment is carried out every year or two years depending on the category of the facility (i.e., Category I or Category III). The performance assessment is currently known as the Licensee Performance Review. Inputs for the performance assessment include NRC actions resulting from the regulatory response tool and enforcement actions during the assessment period. Cross cutting aspects (if any) are another input to the performance assessment process.

Events and Reactive Inspections

Reactive inspections are initiated as a result of an event. The focus on reactive inspections is how the event affects the objectives of the cornerstones. If there are inspection findings, they would follow the same path as inspection findings from the core inspection program.

Generic Safety Issue Inspections

Generic safety issue inspections are initiated when it is determined that a safety issue addressed in a bulletin, generic letter, Nuclear Energy Institute (NEI) initiative, or NEI program requires inspection verification or follow-up. The requirements and guidance for the inspection will be developed and issued in a Temporary Instruction. The focus on the generic safety issue inspection is also how the objectives of the cornerstones are affected. If there are inspection findings, they would follow the same path as inspection findings from the core inspection program.