

December 14, 2011

MEMORANDUM TO: Douglas W. Weaver, Acting Director
Division of Spent Fuel Storage and Transportation
Office of Nuclear Material Safety
and Safeguards

Lawrence E. Kokajko, Director
Division of Spent Fuel Alternative Strategies
Office of Nuclear Material Safety
and Safeguards

FROM: Aby S. Mohseni, Deputy Director /RA/
Division of Spent Fuel Alternative Strategies
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Office of Nuclear Material Safety
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Patrick L. Loudon, Deputy Director /RA/
Division of Nuclear Materials Safety
Region III

SUBJECT: LICENSING, INSPECTION, AND ENFORCEMENT PROGRAMS
REVIEW FOR STORAGE AND TRANSPORTATION – WORKING
GROUP REPORT

On December 6, 2010, in the Staff Requirements Memorandum “Staff Requirements – COMSECY-10-0007 – Project Plan for Regulatory Program Review to Support Extended Storage and Transportation of Spent Nuclear Fuel” (ML103400287) the Commission approved an initiative to review the licensing, inspection, and enforcement programs for storage and transportation activities to identify improvements to increase efficiency and effectiveness.

On March 17, 2011, a working group was formed to perform this review and a Steering Committee consisting of the following individuals was formed to oversee the review:

Aby Mohseni, Deputy Director, Division of Spent Fuel Alternative Strategies (SFAS),
Office of Nuclear Material Safety and Safeguards (NMSS)

Doug Weaver, Deputy Director, Division of Spent Fuel Storage and Transportation
(SFST), NMSS

Patrick Loudon, Deputy Director, Division of Nuclear Material Safety, Region III

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The working group completed its review on September 30, 2011, and briefed the members of the steering committee and yourselves on the results. The steering committee has completed its review of the working group recommendations and endorses the recommendations with several clarifications, which are provided in Enclosure 1. The working group's report describes its review methodology, observations, and recommendations, and is included as Enclosure 2.

The steering committee would like to thank the working group participants, listed below, for their diligent efforts in conducting a thorough and comprehensive review:

Thomas Matula, Project Manager, SFAS, NMSS
Jack Parrott, SFAS, NMSS
Earl Love, SFST, NMSS
Robert Brient, Center for Nuclear Waste Regulatory Analyses
George Adams, Center for Nuclear Waste Regulatory Analyses
Steve Ruffin, SFAS, NMSS (Outreach)

This completes the working group and steering committee actions and transmits our results to the Division of Spent Fuel Storage and Transportation for consideration of implementation.

Enclosures:

1. Steering Committee Evaluation of Recommendations
2. Licensing, Inspection, and Enforcement Programs Review for Storage and Transportation –Working Group Report

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OFFICE	SFAS	SFST	DNMS, RIII
NAME	Aby Mohseni	Eric Benner	Patrick Loudon via e-mail
DATE	12/13/2011	12/05/2011	12/14/2011

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Steering Committee Evaluation of Recommendations

Recommendation 1: Revise Inspection Manual Chapter (IMC) 2690, "Inspection Program for Dry Storage of Spent Reactor Fuel at Independent Spent Fuel Storage Installations And For 10 CFR Part 71 Transportation Packagings," to more clearly define inspection requirements and to organize inspection procedures (IPs) around key inspection areas (i.e., quality assurance, design, fabrication and construction, ISFSI operations, and aging management).

Steering Committee Evaluation: The steering committee endorses Recommendation 1. The revision of the IMC should include Regional Office review.

Recommendation 2: Revise IPs to more clearly define inspection criteria to provide more consistent application and verification of inspection criteria.

Steering Committee Evaluation: The steering committee endorses Recommendation 2. The revision of the IPs should include Regional Office review.

Recommendation 3: Integrate SFST staff possessing required technical skills into inspections to review § 72.48, "Changes, tests, and experiments," and § 72.212, "Conditions of general license issued under § 72.210," evaluations, as necessary, to support inspection teams.

Steering Committee Evaluation: The steering committee endorses Recommendation 3. The guidance developed for 72.48 reviews should include a minimum sample size and roles and responsibilities for Regional inspectors and Headquarters inspectors and technical staff.

Recommendation 4: Implement and manage the inspection process to timely resolve technical, open, unresolved, or generic issues identified during inspections (Reference Office Instruction (OI) SFST - 19, "Non-Case Work Technical Issue Resolution Process").

Steering Committee Evaluation: The steering committee endorses Recommendation 4 but notes that SFST is currently revising its procedures in this area to ensure appropriate staff and management review, prioritization, schedule, and performance monitoring, so the steering committee also endorses completion of these procedural revisions.

Recommendation 5: Verify that Certificate of Compliance (CoC) holders and licensees capture and resolve conditions adverse to quality that are identified by NRC technical staff and inspectors during activities such as CoC and license application reviews and pre-operations inspections, in their respective corrective action programs.

Steering Committee Evaluation: The steering committee endorses Recommendation 5.

Recommendation 6: Develop a method for evaluating and classifying the severity of inspection findings (for those determined to be less than Severity Level IV violations) to consistently classify findings within the context of the SFST Inspection Program.

Steering Committee Evaluation: The steering committee feels that this recommendation should not be implemented at this time, but should be re-evaluated once the other recommendations are implemented. At the time of the re-evaluation, thought should be given to how to incorporate the findings from the ISFSI inspections into the overall licensee performance assessment in the Reactor Oversight Process, including potential development of a Significance Determination Process for this inspection area.

Recommendation 7: Develop a method to track inspection findings and perform trend analysis to identify emerging negative trends to inform the inspection program process.

Steering Committee Evaluation: The steering committee endorses Recommendation 7.

Recommendation 8: Write inspection reports consistent in format and content to allow findings to be assessed and trended.

Steering Committee Evaluation: The steering committee endorses the recommendation that alignment should be attained relative to documentation; however, it may be preferable to use the IMC 0612 format and style to allow better integration of licensee performance assessment.

Recommendation 9: Enhance the existing lessons learned process used by Regional and headquarters inspectors (Reference OI SFST - 11, "Lessons Learned").

Steering Committee Evaluation: The steering committee endorses Recommendation 9.

Recommendation 10: Assign Regional inspectors to accompany headquarters inspectors on design and fabrication inspections at CoC holders and storage cask fabrication vendors. Also assign SFST licensing staff to participate in transportation and storage inspections.

Steering Committee Evaluation: The steering committee endorses Recommendation 9 but suggest that the word "assigned" that is used be understood to mean "as available" or "when possible" in light of budget considerations that have to be considered by all Offices.

Recommendation 11: Enhance the existing licensing review process to integrate SFST inspection staff into the licensing process (Reference OI SFST - 4).

Steering Committee Evaluation: The steering committee endorses Recommendation 11.

Recommendation 12: Develop an IP to address aging management inspections as detailed in NUREG-1927, "Standard Review Plan for Renewal of Spent Fuel Dry Cask Storage System Licenses and Certificates of Compliance."

Steering Committee Evaluation: The steering committee endorses Recommendation 12 and notes a growing need for this IP because of the increasing number of renewals.