

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

**Title: BRIEFING ON NRC INSPECTION ACTIVITIES -
 PUBLIC MEETING**

Location: Rockville, Maryland

Date: Friday, May 31, 1996

Pages: 1 - 86

ANN RILEY & ASSOCIATES, LTD.
1250 I St., N.W., Suite 300
Washington, D.C. 20005
(202) 842-0034

DISCLAIMER

This is an unofficial transcript of a meeting of the United States Nuclear Regulatory Commission held on May 31, 1996 in the Commission's office at One White Flint North, Rockville, Maryland. The meeting was open to public attendance and observation. This transcript has not been reviewed, corrected or edited, and it may contain inaccuracies.

The transcript is intended solely for general informational purposes. As provided by 10 CFR 9.103, it is not part of the formal or informal record of decision of the matters discussed. Expressions of opinion in this transcript do not necessarily reflect final determination or beliefs. No pleading or other paper may be filed with the Commission in any proceeding as the result of, or addressed to, any statement or argument contained herein, except as the Commission may authorize.

1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

3 ***

4 BRIEFING ON NRC INSPECTION ACTIVITIES

5 ***

6 PUBLIC MEETING

7 ***

8
9 Commissioner's Conference Room

10 11555 Rockville Pike

11 Rockville, Maryland

12
13 Friday, May 31, 1996

14
15 The Commission met in open session, pursuant to
16 notice, at 10:04 a.m., the Honorable SHIRLEY A. JACKSON,
17 Chairman of the Commission, presiding.

18
19 COMMISSIONERS PRESENT:

20 SHIRLEY A. JACKSON, Chairman of the Commission

21 KENNETH C. ROGERS, Member of the Commission

22 GRETA J. DICUS, Member of the Commission

23
24
25
ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1250 I Street, N.W., Suite 300
Washington, D.C. 20005
(202) 842-0034

1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:
2 JOHN C. HOYLE, Secretary of the Commission
3 KAREN D. CYR, General Counsel
4 JAMES TAYLOR, EDO, Executive Director for
5 Operations
6 WILLIAM RUSSELL, Director, NRR
7 R. WILLIAM BORCHARDT, Chief, Inspection Program
8 Branch, NRR
9 STEVEN STEIN, Senior Technical Assistant, NRR
10 JOSEPH SHEA, Project Manager, NRR
11 EILEEN McKENNA, Senior Reactor Systems Engineer,
12 NRR
13 JAMES LIEBERMAN, Director, Office of Enforcement

14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

[10:04 a.m.]

CHAIRMAN JACKSON: Good morning, ladies and gentlemen.

The purpose of this meeting is for the NRC staff to brief the Commission on NRC operating power reactor inspection activities, including the results of the evaluation of the spent fuel pool licensing basis review, the final safety analysis report inspections, and the 10 CFR 50.59 review.

These activities were initiated in response to problems that became evident at the Millstone Station, but the activities are not limited to Millstone. The Commission is particularly interested in what safety significance the staff's findings have and its plans for future action.

The content of safety analysis reports, the knowledge of the plant's current licensing basis, and the need for consistent guidance regarding what changes licensees can make to facilities without prior NRC approval are all related issues. The staff's resolution of these issues may have far-reaching implications for NRC licensees and the NRC staff's oversight.

For example, as more programs are being placed under licensee administrative control, the agency must have confidence that subsequent changes to these programs are

1 adequately reviewed and appropriately documented. This will
2 require the development of appropriate and consistent
3 guidance and confidence that the staff and licensees have a
4 clear understanding of what is considered to be a plant's
5 current licensing basis and what activities are controlled
6 by 50.59.

7 This process, again, is particularly important as
8 the nuclear industry moves to more performance-oriented
9 regulatory approaches, and I have spoken about this within
10 the context of the movement to the improved standard
11 technical specifications and the control that it places in
12 licensees' hands with respect to changes in parts of the
13 tech specs.

14 Now, I understand that copies of the presentation
15 slides are available at the entrance to the meeting.
16 Commissioners, do you have any opening comments? If not,
17 you may proceed.

18 MR. TAYLOR: Good morning. With me at the table
19 are Jim Lieberman, Director, Office of Enforcement; Bill
20 Russell, of course, from NRR; and, the following staff are
21 Bill Borchardt, Joe Shea, Eileen McKenna, and Steve Stein.
22 All will participate in the briefing this morning.

23 There are activities that will be talked about
24 that will potentially result in changes in the inspection
25 program and potentially changes in the regulations.

1 Bill Russell will continue.

2 MR. RUSSELL: If I could have slide number two,
3 please.

4 [Slide.]

5 MR. RUSSELL: I'd like to set the stage with the
6 approach that we're going to take for the presentation.

7 The first area that will be covered is I will go
8 through some of the regulatory requirements that currently
9 exist to put those in overview, because they will be coming
10 up many times in the subsequent presentations.

11 We will then go through, in some detail, with Joe
12 Shea presenting information on the spent fuel pool licensing
13 basis review, what some of the findings were, and the
14 implications, followed by Bill Borchardt, who will cover the
15 FSAR inspection activities and findings and what we are
16 proposing to do by way of making some modifications to our
17 ongoing inspection efforts to look at design basis and
18 licensing basis.

19 Jim Lieberman will talk about what we're doing to
20 get consistency in our enforcement processes as it relates
21 to design information and where the staff stands in
22 developing enforcement guidance which would be coming to the
23 Commission.

24 We're going to talk quite a bit about 50.59
25 review, the action plan and what's the history of the 50.59

1 regulation, and where we are going longer-term in that area;
2 that will be done by Eileen McKenna.

3 Then, because we had so many activities going on
4 and, as the Chairman mentioned, these are all interrelated
5 activities, I initiated a task force, led by Steve Stein, to
6 pull the information together from the various activities
7 that we would be discussing, as well as the information
8 that's coming from our lessons learned from the Millstone
9 review, with the team inspections and the other things going
10 on up there. So Steve will lay out how we're pulling this
11 information together and what the schedule is in the near
12 term.

13 Following that, before going into discussion of
14 schedule, I will identify what are some of the broader
15 implications and issues that need to be addressed as it
16 relates to licensing, inspection, enforcement and reporting
17 requirements with respect to NRC's regulatory programs.

18 I'll talk then broadly about the schedules and the
19 plans that we have to interact with the Commission on those
20 major policy issues.

21 If I can have slide three, please.

22 [Slide.]

23 MR. RUSSELL: By way of an overview of the
24 regulations, I wanted to start with 50.34 first. This
25 relates to the applications, the final safety analysis

1 report, and, broadly, the required information to be
2 submitted that would be related to the design basis,
3 limiting requirements as it relates to operations, and, most
4 importantly, the safety analysis, including the functional
5 requirements, the bases, and the justifications to show that
6 the safety functions would be performed consistent with the
7 application.

8 The second area is 50.2, which relates to
9 definition of design bases, and these are functions to be
10 performed, required; requires you to identify the
11 controlling parameters and the controlling parameters are
12 derived from the analysis and they are necessary to assure
13 that structures, systems and components are capable of
14 performing and meeting their functional requirements.

15 50.36 relates to the technical specifications
16 which are incorporated in each facility license. They are
17 also derived from analysis and evaluations submitted as a
18 part of the final safety analysis report and amendments to
19 the license. It includes definitions of limiting safety
20 system settings, limiting conditions for operations,
21 surveillance requirements, design features, and
22 administrative controls. These are generally the issues
23 that are more operationally focused and it relates to the
24 recent rule change which identifies the threshold for things
25 which would be controlled by technical specifications, as

1 compared to things which would be controlled by other
2 regulatory documents, such as the final safety analysis
3 report.

4 As the Chairman mentioned, this is quite important
5 because as we move to the new standard technical
6 specifications, in items which in the past were controlled
7 by tech specs and the amendment process are moved to the
8 FSAR, they may be changed under a 50.59 process without
9 prior Commission review.

10 Slide number four, please.

11 [Slide.]

12 MR. RUSSELL: There are a number of requirements
13 which are imposed related to maintenance of the license.
14 50.54 establishes conditions to the license. These
15 generally involve the quality assurance programs,
16 requirements to submit information under oath or affirmation
17 when requested.

18 And there is one nuance here that I'd like to
19 identify, and that is within 50.54(f), the phrase "current
20 licensing basis" is used and there is an exception, a
21 compliance exception for requesting information under oath
22 or affirmation; and that is, any time there is a question
23 about whether a facility currently complies with its current
24 licensing basis, there is not a need to justify the burden
25 associated with requesting that information; that you can

1 request information related to compliance without going
2 through a regulatory burden analysis for providing the
3 information.

4 I would point out, however, that current licensing
5 basis is not defined in Part 50. It's in Part 54.

6 Other matters covered under 50.54 are such things
7 as safeguard requirements, requirements for emergency plans,
8 insurance, how you handle a bankruptcy, national
9 emergencies, etcetera. The ones that are governing
10 typically are associated with quality assurance and the
11 requirements of the quality assurance activities to maintain
12 the facility design basis.

13 The next area, 50.59, that will be covered in
14 quite a bit of detail by Eileen McKenna and I won't go
15 through that at this point.

16 50.71(e), the rule as it relates to updating the
17 final safety analysis report. This rule is quite broad. It
18 requires that all changes that are needed to reflect
19 information and analysis submitted to the NRC, facility or
20 procedure changes, analyses in support of amendments, or
21 analyses performed by or on behalf of the licensee which
22 have been requested by the NRC, should be incorporated into
23 an update of the final safety analysis report.

24 Practice has not been consistent with that broad
25 description of the rule. This is an area where I believe

1 the rule is satisfactory, but there needs to be guidance as
2 to what is sufficient set of information to be included in
3 FSAR updates.

4 50.90, applications for amendments to licenses.
5 In 50.91, which relates to public notice, significant hazard
6 or where there is no significant hazard, are also related.
7 License event reports; this is important because design
8 issues, potential for operation outside the design basis are
9 reportable, both under 50.72 as it relates to event
10 reporting and 50.73 licensee event reports and more routine
11 reports.

12 The last one is 50.9, and this is completeness and
13 accuracy of information. It essentially requires that
14 information submitted to the NRC be complete and accurate in
15 all respects. And so we have some issues with respect to
16 missing information from FSARs or incomplete information or
17 inaccurate information.

18 And, finally, I mentioned earlier license renewal.
19 That's the point in the regulations where we have defined
20 current licensing basis. We have not done that under Part
21 50 and that's something which does need to be looked at and
22 is a potential for a rule change in the future.

23 We will be discussing each of those regulations as
24 we go through the next series of presentations. What I'd
25 like to do first is have Joe Shea cover the spent fuel

1 licensing basis review. Joe?

2 MR. SHEA: My name is Joe Shea and I served as the
3 lead project manager in NRR for the recent spent fuel pool
4 licensing basis review or survey.

5 The survey project was developed to meet one of
6 the commitments made in the December 28, 1995 memorandum
7 regarding lessons learned from recent activities at
8 Millstone Unit 1 and specifically at Millstone in the summer
9 and fall of 1995. There was a concern that core offload
10 practices, refueling practices were not consistent with the
11 design of the spent fuel pool decay heat removal systems, as
12 those systems were described in various licensing documents.

13 The survey was designed and implemented to gauge
14 the extent to which offload practices at other plants were
15 or were not consistent with the design and licensing basis
16 of fuel pool decay heat removal systems at those plants.

17 We had two goals or objectives for the survey.
18 The first one follows off what I just said, to determine if
19 each plant was in compliance with its current licensing
20 basis with respect to spent fuel pool decay heat removal and
21 core offload practices. And as we referred to a moment ago,
22 the current licensing basis is not specifically defined in
23 Part 50.

24 So for the purposes of my discussion, as we were
25 doing the survey, we looked at licensing documents --

1 specifically, the tech specs, final safety analysis report,
2 and licensee submittals and staff reviews of relevant
3 license amendments. Those license amendments typically
4 included spent fuel pool capacity increases, reracks that
5 is, or amendments to allow the use of increased enrichment
6 in the fuel.

7 In addition, we looked at certain other docketed
8 correspondence that may or may not have been related to a
9 license amendment.

10 Our second objective was to collect detailed
11 design information on the spent fuel pools and their
12 associated support systems for all plants, and this was done
13 to assist in resolving the staff's open task action plan on
14 spent fuel pool storage safety. This action plan was opened
15 in October 1994 in response to a couple of activities. The
16 first one was a report filed under 10 CFR Part 21 regarding
17 concerns about the adequacy of spent fuel pool system design
18 at Susquehanna and, in addition, the action plan was looking
19 at follow-up to service water system failure that occurred
20 at the shut-down Dresden Unit 1 in January of 1994.

21 The staff determined that certain issues coming
22 out of both of those events warranted a generic look to see
23 if there were possible outliers or potential enhancements on
24 a plant-specific basis or opportunities to enhance the
25 regulations.

1 The scope of the survey project, as I mentioned,
2 was to look at all operating reactors, and there were two
3 key elements in executing the survey. The first point was
4 to determine what were the licensing requirements for each
5 plant. The staff reviewed the licensing documents that I
6 described and we were looking specifically for limitations
7 on offload practices that were expressed or implied by
8 licensing documents either in the discussion of the plant
9 spent fuel pool decay heat removal system design or in
10 discussions of refueling practices in those documents.

11 And once we determined what the requirements were
12 for each plant, the second aspect of the survey was to go
13 out to each plant and look at the procedures, the practices
14 and analyses that the licensees had in place by which they
15 could demonstrate that they were in compliance with those
16 requirements, and that part of the project was done by all
17 of the NRR project managers with assistance, as necessary,
18 from the region and resident staff.

19 If I could have the next slide, please.

20 [Slide.]

21 MR. SHEA: We completed the information gathering
22 in early April and spent some time compiling it and
23 determining what findings we could gather out of the
24 information we had recovered and came to a couple of
25 conclusions.

1 Overall, we concluded that for all plants, based
2 on existing practices or as a result of actions taken during
3 the course of the survey or commitments made by licensees
4 during the course of the survey, refueling practices are
5 consistent with the licensing basis or will be prior to the
6 next outage for all plants.

7 Notwithstanding that, we did observe during the
8 survey that there were some plants that made revisions to
9 their licensing basis to make it consistent with their
10 existing refueling practices or the practices that they
11 intended to undertake. As a result, the staff observed that
12 those plants may not have been in compliance with their
13 licensing basis in the past, if they were, in fact, changing
14 the licensing basis at this time. So we documented the
15 plants that we could make that categorization for.

16 And a little bit additional on that note, some of
17 the plants were changing the licensing basis at the time we
18 were doing the survey through the amendment process; that
19 is, they had license amendments pending which specifically
20 addressed in detail spent fuel pool decay heat removal and
21 reflected what their practice was. In looking back, we
22 observed that their previous licensing basis may not have
23 specifically bounded their past practices.

24 Other licensees revised their licensing basis
25 pursuant to 10 CFR 50.59, and typically those plants -- it

1 involved evaluating changes to spent fuel pool temperature
2 limits and doing the accompanying regulatory analysis for
3 that review.

4 I want to emphasize that we did not do a
5 comprehensive look at the history of refueling outages for
6 all plants. We realized that refueling practices have
7 changed over the life of the plants, as well as the
8 licensing basis for the plants have changed. So we only
9 looked historically to the extent that we needed to
10 understand what the current practice was.

11 I also want to discuss some findings we made with
12 regard to 10 CFR 50.71(e), which, as we discussed earlier,
13 requires the licensees to periodically update the final
14 safety analysis report to include information that was
15 submitted in support of a request for license amendment.
16 And during our review of what the licensing basis
17 requirements were for each plant, we did observe that for
18 some facilities, the FSAR did not reflect information that
19 had been included in past license amendment documentation.

20 It's not necessarily to say that those plants were
21 in violation of 50.71(e). 50.71(e) has an update window.
22 It requires licensees to update the FSAR annually or not
23 more than six months after a refueling outage, not to exceed
24 24 months overall.

25 So for a number of the plants that we listed in

1 the report, those plants fell within that window. Just as
2 long as they update the FSAR within the required
3 periodicity, there wouldn't be a specific concern about
4 compliance with 50.71(e) for those facilities.

5 CHAIRMAN JACKSON: So you actually did delineate
6 which ones fell within this maximal 24 month window and
7 which ones did not.

8 MR. SHEA: In the process of going from the survey
9 overview report to documenting the details of our findings
10 for each plant, the plants that we had listed, we did, in
11 fact, delineate those that had a potential compliance
12 problem and those that were clearly within the window and
13 for which there was not a problem.

14 So for both the plants whose practices may not
15 have been consistent with the licensing basis and those that
16 have the FSAR update issue, our future activities will
17 include documenting the details of our findings for each of
18 these plants and putting them in a plant-specific NRC
19 inspection report and, as appropriate, statusing that as an
20 unresolved item and allowing that to be pursued by the staff
21 and the licensee in the normal manner, which may end up in
22 closing the unresolved item or may lead to enforcement,
23 depending on the specifics of the case.

24 CHAIRMAN JACKSON: Given, though, that you do then
25 have some sites that have FSARs that did not reflect the

1 information from past license amendments and to tie that
2 back into your earlier statement with respect to plant
3 refueling outage practices and your statement that they are
4 all consistent with their licensing basis for 1996 and the
5 future, that's on the basis of the fact that some clearly
6 did have their FSARs completely updated and they were in
7 compliance and then some are in this migratory pattern,
8 where they're either changing their practices or changing
9 the FSARs, as appropriate, or they've made commitments to do
10 so.

11 MR. SHEA: That's correct.

12 CHAIRMAN: Is that a correct statement?

13 MR. SHEA: That's correct. And the fact that the
14 information is in license amendment documents, but not in
15 50.71(e), it still is within the licensing basis. So if we
16 found the practice consistent with the most current
17 licensing documents, if, in this case, it was a license
18 amendment, then we could make that finding that they were in
19 compliance for that plant with regard to their offload
20 practices. It still means they may need to update the FSAR
21 to reflect the license amendments which are elements of the
22 licensing basis.

23 CHAIRMAN JACKSON: Let me ask you this question.
24 Many sites, over time, have submitted license amendments
25 relative to their spent fuel pools. So a question that

1 would naturally arise is have we determined why some of
2 these issues or problems identified during the survey were
3 not identified or would not be identified during the normal
4 review of the amendments?

5 MR. SHEA: We did. In fact, go on to the next
6 slide.

7 [Slide.]

8 MR. SHEA: Despite the fact that the spent fuel
9 pool and cooling systems are relatively straightforward
10 systems, consisting of a pool and typically a couple pumps
11 and heat exchangers, we found that the licensing basis for
12 that system varied fairly significantly across the
13 population of plants, and that came for a couple of
14 different reasons.

15 Individual plants had different system
16 configurations. While they may have had two pumps and two
17 heat exchangers, at some plants, it may have been two
18 relatively smaller pumps and heat exchangers, with a
19 relatively low capacity, compared to what you might put in
20 during offload at other plants with two pumps and trains.
21 They may have had very large capacity trains, so that each
22 train could handle what may be associated with up to a full
23 core offload.

24 So, again, there were variations in the designs of
25 plants, of spent fuel pool cooling systems in plants, all of

1 which we had reviewed and accepted.

2 In addition, the licensees and the staff, over
3 time, varied in their level of detail that they used to
4 describe their systems and our basis for accepting those
5 systems in various licensing documents.

6 As an example, the standard review plan, in laying
7 out guidance for reviewing spent fuel pool cooling system
8 design describes two cases for decay heat load that you
9 would analyze to assure the system is sized properly. In
10 the standard review plan, they're referred to as a normal
11 and abnormal heat load.

12 In some cases, licensees would go beyond that in
13 their submittals, describing cases that more closely
14 reflected the heat loads and the offload practices that they
15 expected to see at the plant. In other cases, licensees
16 provided information that was consistent with the stylized
17 cases under a standard review plan.

18 In addition, when licensees submit detailed
19 information, perhaps a range of cases that would provide an
20 envelope of the expected operating practices, the staff
21 didn't necessarily always speak back to that in their
22 review. We may have, in a number of cases, simply taken
23 those pieces of the licensee's submittal which were
24 consistent with the standard review plan and looked at
25 those, discussed those in our safety evaluation and made a

1 finding on acceptability based on that. So it left the
2 additional information that the licensee submitted unspoken
3 to by the staff.

4 So, again, it made it somewhat more difficult to
5 determine what were the limits on the plant operation that
6 the licensee had submitted and that the staff had reviewed
7 and accepted.

8 CHAIRMAN JACKSON: I guess I'm also asking another
9 kind of underlying question that relates to that. That has
10 to do with if a license amendment is being processed, what
11 is the fundamental reference document? What licensing basis
12 document does the project manager or whoever is processing
13 the amendment use to do these various assessments with
14 respect to?

15 MR. RUSSELL: Maybe I can address that issue. The
16 practices have changed with time. Prior to the development
17 of the standard review plan, it was a case-by-case review
18 and you'd build on the information from the prior review
19 from the standpoint of scope and depth of review.

20 Following the issuance of the standard review
21 plan, the practice was to use those portions in the standard
22 review plan that were applicable to the scope of the
23 amendment that was being requested and then to document and
24 make findings, as required by the standard review plan, with
25 the objective of the standard review plan to ensure

1 consistency of review.

2 This was going on and appearing that requirements
3 were changing when there were quite a number of initial
4 licensing cases being done and the requirements were
5 changing with time. We have not updated completely the
6 standard review plan for several years. That process is
7 ongoing now and we expect to issue the standard review plan
8 for public comment very shortly. There are other sections
9 in the standard review plan that are being developed,
10 particularly the area of instrumentation and control,
11 probabilistic risk assessment.

12 But the tool that's used to ensure consistency of
13 technical review is the standard review plan and it's to be
14 used, to the extent applicable, based upon the scope of the
15 amendment requested.

16 In most instances, the licensee submits
17 information, whether it be FSAR pages, analyses, other
18 information with their particular request, so that all of
19 the relevant information comes in to approve that request.
20 Then that's reviewed against the standard review plan and
21 there are requests for additional information is missing or
22 if the information submitted is not clear. But that's
23 generally the process that's followed using the standard
24 review plan, but that was evolutionary with time. And the
25 early reviews, particularly some of the older plants, did

1 not have the benefit of a standard review plan to guide the
2 review.

3 CHAIRMAN JACKSON: I understand that and I
4 appreciate that, again, but let me just go back to this.
5 Presumably, if a licensee submits a license amendment
6 request, there are presumably some design basis assumptions
7 in that request and that refers them to presumably the then
8 existent licensing basis of that plant.

9 What then is that reviewer using against which to
10 test these design basis assumptions? I mean, leaving aside
11 what the standard review plan tells him to do, presumably
12 there is something that documents what the licensing basis
13 of the plant is that includes the design basis of the plant
14 and whether the plant, in fact, looks like what is is
15 designed to be.

16 The question is what is the reviewer using then to
17 do his reviews?

18 MR. RUSSELL: That was, in fact, the purpose for
19 the FSAR update rule; to have the information updated
20 periodically in the final safety analysis report so that the
21 reviewer would not have to dig back into the historical
22 files to find, in fact, what is the design basis.

23 CHAIRMAN JACKSON: I'm not trying to overly
24 pressure you on this, but I think it is an important issue
25 to be clarified. Maybe these other findings address what

1 you're going to -- address my question.

2 It's really the question of if we're processing -
3 - if somebody is processing license amendments and doing
4 things over time, then that person has to have something to
5 which to refer and that has to do with what is the licensing
6 basis of the plant; you know, how the design basis
7 assumptions that undergird a license amendment request
8 relate to that.

9 How then is that licensing basis -- how do changes
10 or plant modifications made pursuant to 50.59 captured in
11 that? Then we're talking specifically now about outages,
12 outage practices. But that, to me, is the fundamental kind
13 of line that we want to understand. So maybe I'll let you
14 go on, because I think you're going to try to address some
15 of this.

16 MR. RUSSELL: We will be coming back to that with
17 respect to the broader implications, because you will hear
18 this through some of the other presentations. It's not
19 limited to fuel pools.

20 CHAIRMAN JACKSON: All right. I'll stop jumping
21 ahead then.

22 COMMISSIONER ROGERS: I wonder if I could just ask
23 a question here that occurred to me as you were going on
24 here. That is, to what extent did you turn up issues that
25 relate to a secondary purpose of the spent fuel cooling

1 system as part of a defense-in-depth system that needs to be
2 thought about, particularly with respect to any changes or
3 whether it should be in the licensing basis and isn't or
4 should be in the FSAR?

5 To what extent are there situations like that. It
6 seems to I recall instances in which the spent fuel pool
7 cooling system is related in a secondary way to defense-in-
8 depth for the plant.

9 CHAIRMAN JACKSON: Before you answer that, let me
10 give you an example that I brought up, I think, earlier. We
11 identified outage maintenance practices -- I hope this is
12 perhaps what you're thinking about, Commissioner Rogers --
13 during a refueling outage that could pose a problem and you
14 mentioned it in the paper that you sent to the Commission,
15 such as removing a train of service water from service that
16 is providing spent fuel pool cooling, and it's allowed by
17 tech specs.

18 But at times, the tech specs can conflict with
19 assumptions in the FSAR, which may assume that both trains
20 are operative. So the question is how do you resolve these
21 conflicts.

22 MR. RUSSELL: The fact that there are conflicts is
23 reasonably well established, both from this review and from
24 activities that we had done in the course of reviewing
25 shutdown risk, and I would submit that fuel pool operations

1 and refueling activities are within the scope of shutdown
2 risk activities.

3 Technical specifications generally focus on events
4 initiating from power. We have only been focusing on events
5 during changes of mode or shutdown or, lately, fuel pool
6 issues for the last few years. This is not something we
7 have a history of in-depth reviews. And it is true that
8 support systems, such as service water, may be permitted
9 under tech specs that are written to govern operating
10 conditions at power, to be removed at various times, and yet
11 the implication as it relates to sub-pool decay heat removal
12 in the fuel pool may be impacted, but was not explicitly
13 considered at the time the technical specifications were
14 drafted.

15 We are looking at a performance-based rule for
16 shutdown conditions that would require redundancy; i.e.,
17 defense-in-depth with respect to functions such as decay
18 heat removal, criticality, barriers, actions to be taken
19 should those functions lose their redundancy. That is an
20 ongoing activity.

21 The staff did propose technical specifications
22 with the earlier proposed rule-making that the industry felt
23 was too prescriptive. That's the reason for going to a more
24 performance-based approach.

25 But these are issues that have been working and

1 are related to the fuel pool survey issues in the action
2 plan. We recognize that we don't have the same degree of
3 defense-in-depth for fuel pools, depending upon how you
4 define the acceptable outcomes. If you are primarily
5 interested in sub-cooled decay heat removal, then precluding
6 boiling in the fuel pool, then you want to have reliable A/C
7 power, on-site A/C power that can provide power to cooling
8 pumps, et cetera.

9 If it's acceptable to allow boiling in a pool,
10 then you want to provide an assured source of makeup so you
11 don't lose inventory from the pool. And the licensing
12 history has changed from plant to plant. Some have actually
13 had to address the potential for loss of inventory in the
14 pool in litigation and hearing associated with expansions of
15 spent fuel pools, but, in general, that has not been the
16 case.

17 So the depth of review and the scope of review is,
18 in fact, why we are initiating the action plan to re-look at
19 these and collect the information on what exists at each
20 plant. But I submit that we do have quite a variance.

21 This short-term focus was to ensure compliance
22 with existing requirements. The second step is to answer
23 the question whether we have sufficient requirements in
24 place at all plants and should we backfit it plant
25 specifically or backfit it generically and what vehicle

1 should we use -- rule-making, generic letter, et cetera.

2 We are currently looking at incorporating the fuel
3 pool issues within the scope of the shutdown rules, because
4 there is not a lot of difference, for example, in a boiling
5 water reactor between sub-cooled decay heat removal when
6 it's in the vessel, when you don't have containment, or when
7 it's in the fuel pool, a few feet away, using similar
8 systems.

9 CHAIRMAN JACKSON: Or something that just -- as
10 opposed to trying to anticipate every potential system where
11 there may be a defense-in-depth question or an implication
12 of one for the other that there's something that requires
13 that the two be evaluated relative to each other.

14 MR. RUSSELL: That's exactly right. The approach
15 -- rather than looking at specifying particular systems,
16 it's specifying functions and specifying redundancy in
17 functions and then leaving it to the licensee to demonstrate
18 that they have that redundancy of function and capability,
19 rather than getting down into all of the --

20 CHAIRMAN JACKSON: Because you can't anticipate
21 everything.

22 MR. RUSSELL: So that's the reason we're focusing
23 more on moving toward a performance-based rule in this area
24 and that is an ongoing activity. What we're looking at is
25 integrating the shutdown risk issues with the fuel pool

1 issues so that we don't do these piecemeal, and that is
2 currently in development within the staff.

3 CHAIRMAN JACKSON: Let me just ask you, though,
4 what confidence do you have that plant staff will recognize
5 these areas of conflict and might, on their own, demonstrate
6 adequate configuration control?

7 MR. RUSSELL: With respect to issues associated to
8 when fuel is in the reactor, we have, over the last several
9 years, promulgated quite a bit of technical information and
10 guidance. We've had meetings on it. The industry has also
11 promulgated guidance through NUMARC and others that we have
12 been observing through our inspection activities.

13 As it relates to the fuel pool issues, that's been
14 the focus of recent activities. We've put out information
15 notices, we've done the surveys, and our intent was to
16 ensure that future activities are in compliance with the
17 licensing basis as currently defined.

18 So as it relates to these activities in the
19 future, we believe we have addressed the issues and have
20 communicated them to the industry. We do expect that there
21 are going to be additional requirements in these areas in
22 the future. We just have to go through the process to
23 promulgate the requirements.

24 MR. SHEA: Discussing variation in licensing bases
25 among plants and the reasons for those and discuss that the

1 differences start with the design differences between
2 plants.

3 CHAIRMAN JACKSON: Which slide are you referring
4 to?

5 MR. SHEA: I'm referring to slide number seven.
6 Differences in plant design, differences in the way the
7 licensees and staff have discussed and reviewed and accepted
8 changes to the spent fuel pool and related system designs
9 over time, and variation between staff review practices,
10 and, as an example of that, licensees can propose changes to
11 its system design and operation that are different from the
12 standard review plan guidance and the staff can accept those
13 and has accepted those provided there is sufficient
14 supporting justification.

15 In some cases, the staff has accepted deviations
16 from the standard review plan guidance on spent fuel pool
17 temperature, sometimes based on an argument that the
18 duration that the temperature might be above that standard
19 review plan limit is a limited duration. In other cases,
20 the staff has reviewed -- accepted that deviation based on a
21 detailed analysis of the impact of that increased
22 temperature on structure and supporting systems.

23 So, again, in determining the licensing basis or
24 trying to draw any conclusions about the consistency of
25 licensing basis, that was another staff practice that

1 entered into the plant uniqueness of the spent fuel pool
2 decay heat removal system licensing basis.

3 The impact of that variation is one that increases
4 the possibility that a licensee may operate outside its
5 licensing basis because it makes the licensing basis
6 difficult to recognize. Secondly, it increases the
7 possibility that there will be conflict over an
8 understanding of what the licensing basis requirements are
9 for any one plant.

10 Again, as we to through the task action plan,
11 taking into account the results of the survey as well as the
12 detailed design information, one thing we would seek to
13 consider is whether we need to pursue any action just to
14 clarify or standardize the licensing basis discussion for
15 plants to make sure that all plants are speaking to the same
16 technical issues and speaking to them in the same manner.

17 CHAIRMAN JACKSON: When you say standardize the
18 licensing basis discussion, you mean clarify what the
19 licensing basis is.

20 MR. SHEA: That's right. That's right.

21 MR. RUSSELL: Define the licensing basis in Part
22 50 and ensure then that it's consistently implemented.

23 MR. SHEA: The next finding on that, page 7, we
24 talk about control of design basis assumptions. In the
25 licensing documents, licensees lay out the assumptions that

1 they use in their analyses for demonstrating the adequacy of
2 their systems, and some of those assumptions are
3 specifically operational assumptions. We found through the
4 course of the survey that some of those operational
5 assumptions were not necessarily captured in procedures,
6 thereby raising some concern about whether the licensee had
7 controls to ensure that the licensing basis assumptions
8 were, in fact, met.

9 As an example, spent fuel pool decay heat load any
10 time is a function of the time after shutdown that you
11 transfer fuel from the vessel to the pool. Some assumption
12 on that delay time is typically included in most design
13 discussions and we found that, again, some licensees didn't
14 specifically carry that time limit, whether it was 72 hours
15 or 100 hours or a 150 hours, over into procedures to make
16 sure that they adhered to that.

17 We observed that a number of licensees did
18 implement procedure changes during the course of the survey
19 to specifically address that point.

20 The significance of that is while we didn't
21 identify specifically any plants that had moved fuel faster
22 than an analysis would have supported, the fact that some
23 aspect of the design assumptions are not being controlled by
24 procedures lead to the possibility that you could exceed
25 your design conclusions if you were not cognizant of the

1 assumptions.

2 MR. RUSSELL: We need to clarify that the scope of
3 the review that we were doing was not to look for past
4 basis. We were looking at whether they had adequate
5 controls in place to control future activities and whether
6 the procedures, if there was a time limit assumed, contained
7 that time limit. So we did not go back and look at logs and
8 history for some of these facilities to determine whether
9 they had.

10 We may have stumbled onto information in the
11 course of review that indicates that they may have done it
12 in the past not consistent with -- those are being captured.
13 But it was not an intended review to go back in an
14 enforcement context and look at past practices to determine
15 whether past practices were or were not consistent with
16 assumptions as a part of the licensing basis this time. It
17 was future fit correction that we were focusing on.

18 MR. SHEA: I want to move on to the next finding
19 there. We observed that a number of plants had made what
20 I've characterized as significant enhancements to their
21 spent fuel pool decay heat removal capability over time. We
22 found that several plants had installed large capacity
23 systems, systems that exceeded the capacity of existing
24 systems, and they did so for the purpose of enhancing their
25 flexibility during outages with respect to changing removal

1 from the pool.

2 We observed that those plants had installed and
3 were operating those modifications pursuant to 50.59. The
4 point of raising the issue was that in the case of Millstone
5 Unit 1, while they installed the modification under 50.59,
6 the review and approval of the operation of that system was
7 done under 59.90, a license amendment process.

8 The significance of that is just that it provides
9 a data point to the 50.59 review effort to show that perhaps
10 the application and interpretation of the 50.59 standards is
11 subject to some interpretation from licensee to licensee,
12 such that licensees that are making more or less the same
13 kind of modification are arriving at different conclusions
14 under the acceptability of installing and operating that
15 modification without prior staff approval.

16 It was presented as a data point to feed into the
17 staff's ongoing review of the 50.59 process.

18 MR. RUSSELL: I think we've already covered, in
19 the context of questions from the Chairman, the outage
20 maintenance practices. I think we should probably go on to
21 --

22 CHAIRMAN JACKSON: I do have one other question.
23 Have you linked these findings in terms of the level of
24 safety significance or are there safety significance
25 rankings within them?

1 MR. RUSSELL: The answer to both is that we have
2 not completed that process fully. The next step is to issue
3 the information to the licensees formally through inspection
4 reports, to get any information they have that may be in
5 mitigation of what is the current staff view. But as a
6 broad reply, I would characterize that those facilities that
7 conducted activities not consistent with the licensing basis
8 are more of concern than the failure to update a bookkeeping
9 problem with respect to updating the FSAR.

10 That's not to minimize the importance of updating
11 the FSAR, because if it gets significantly out of date and
12 changes are made using that as a resource, you have the
13 potential for making changes at a facility that do not
14 adequately reflect the design and licensing basis.

15 But on a relative basis, conducting activities not
16 consistent with the licensing basis or the assumed analysis
17 is more significant than a failure to update and submit
18 information to the NRC.

19 We're still looking at whether there are
20 violations associated with 50.71(e) and violations
21 associated with failure to conduct activities consistent
22 with the design and licensing basis, and that would be
23 through the enforcement process.

24 Our schedule is to complete issuing all the
25 information to the licensees and start that process by the

1 end of June, to get the plant-specific out in inspection
2 reports; if necessary, hold the appropriate enforcement
3 conferences.

4 And we're waiting to complete -- Jim will be
5 talking about the schedule. We want to get the enforcement
6 guidance to the Commission and get feedback from the
7 Commission so that we do these in a consistent manner as it
8 relates to these issues.

9 CHAIRMAN JACKSON: Let me ask you one last
10 question before you go on. Of course, you know, many times,
11 whenever the Commission asks about FSARs, as well, you know,
12 the older ones, and, of course, they have less robust or
13 certainly less large FSARs. So that's the case and it
14 relates to everything we're talking about. As I said in my
15 remarks, everything is related to everything.

16 And how do we know, for these older plants, that
17 the FSAR is a sufficient basis for an adequate safety
18 evaluation?

19 MR. RUSSELL: I think there are two aspects. One
20 is the level of design description in the older FSARs is
21 typically a lot less than what is obtained today. But the
22 FSAR also describes the safety analysis that was performed;
23 that is, evaluations of how the facility may respond to
24 various transients, accidents analysis.

25 So the safety performance, the functions to be

1 performed are described and have been analyzed. It does
2 mean that that information is in the design basis, but may
3 not be in the FSAR.

4 This has been an issue with industry in the past.
5 If the level of design description in the FSAR is less, does
6 that relieve you of the obligation to update that
7 information as changes are made to maintain a consistent
8 level of description? 50.71(e) would not permit that, but
9 that is where some of the practice deviates.

10 As it relates to safety analysis, we generally
11 find that as Chapter 15 analyses are redone, those are
12 generally updated and resubmitted, because that also relates
13 to core reloads and refueling practices and other things
14 which they have to submit information under amendments.

15 But it is not consistent, and this is an
16 implication in an area where we need to provide guidance as
17 to what is required. And at this point, I don't see a need
18 for a change to 50.71(e). It is sufficiently broad. But I
19 do see differences in practice and we've got to reconcile
20 old FSARs to new FSARs with respect to staff guidance to
21 make sure it's clear as to what the expectations are to meet
22 the rule.

23 CHAIRMAN JACKSON: Okay.

24 MR. RUSSELL: Bill?

25 MR. BORCHARDT: Slide eight, please.

1 [Slide.]

2 MR. BORCHARDT: On January 25th, inspection
3 guidance was issued that supplemented the existing level of
4 FSAR review performed as part of the normal inspection
5 program. These instructions did not mandate any new
6 inspections, but rather directed that specific attention be
7 given to the verification of FSAR commitments as they relate
8 to specific planned inspection activities.

9 And although this was not a comprehensive FSAR
10 review, inspectors were instructed to review the applicable
11 portions of the FSAR and verify that those FSAR commitments
12 have been properly implemented into plant procedures,
13 practices and plant configurations.

14 And as we've already discussed, there is
15 considerable variation in FSAR thoroughness between older
16 plants and newer plants especially and because of these
17 variations, the inspectors did not attempt to judge the
18 overall completeness of the FSAR, but rather to focus solely
19 on identifying differences between the existing FSAR and the
20 as-built plant.

21 All routine inspection reports, beginning in
22 February, now contain a section that describes this FSAR
23 review effort and the inspectors' findings.

24 Although originally planned for a three-month
25 limited duration, this specific review instruction has been

1 extended indefinitely.

2 There were approximately 220 discrepancies
3 identified in that three-month period and they range in
4 safety significance from issues that are administrative in
5 nature to potential escalated enforcement issues. Several
6 discrepancies have been identified as violations or
7 potential violations under the existing enforcement policy.

8 Corrective actions for these discrepancies can
9 normally be grouped into three categories; a physical change
10 to the plant, a change in the way the plant is operated or
11 its operating procedures, and an administrative FSAR change.
12 It's also reasonable to expect that some of these
13 discrepancies out of the 220 are the result of an unclear
14 language or different interpretation between the licensee
15 and the NRC staffs.

16 There are a number of reviews to be conducted on
17 this data and inspection results that have been gathered to
18 date. In fact, as we have begun our analysis of these
19 inspection results, there's a number of questions which we
20 have decided we need to get supplemental answers to. These
21 include when was the discrepancy first identified or known
22 to the NRC; if the NRC was aware of the issue earlier than
23 this current inspection report, how was it known; and, when
24 did the licensee become first aware of the discrepancy or
25 issue.

1 The answers and these questions are a first step
2 in enabling us to determine whether the issues identified
3 are indications of deeper programmatic problems of specific
4 licensees or with the NRC's licensing and inspection
5 processes.

6 The results of our review will be fed into the
7 lessons learned task force, which you will hear about later,
8 and will be used to improve the inspection program,
9 particularly in the form of revised inspection procedures
10 and guidance to field inspectors.

11 COMMISSIONER ROGERS: Just before you leave that.
12 To what extent have the resident inspectors been involved in
13 these inspections?

14 MR. BORCHARDT: They are the primary source of
15 this information.

16 COMMISSIONER ROGERS: They're fully familiar with
17 what you're finding and how you're finding it.

18 MR. BORCHARDT: Well, they were sent the
19 instructions to conduct these inspections and how to
20 document it. We're just now in the process of sending the
21 matrix that we forwarded to the Commission out to the
22 regions so that they can see on a nationwide basis what kind
23 of discrepancies are being identified.

24 We really just expect them to use that as
25 background at this point. It's our responsibility to put it

1 into the programs and provide a more pointed direction to
2 them.

3 CHAIRMAN JACKSON: How much coordination or
4 communication is there among resident inspectors, regional
5 staff, project managers and technical reviewers regarding
6 the implementation of licensee commitments or amendments to
7 their licenses? How do we ensure that any licensee actions
8 to be implemented are propagated appropriately in the
9 significant areas into the inspection program?

10 MR. BORCHARDT: Well, that specific question is
11 one of the things we're taking a very hard look at. I don't
12 think it's been as thorough in the past as it needs to be.

13 The process at this point relies upon the frequent
14 interaction between the NRR staff, project manager
15 primarily, and the regional staff, to identify areas that
16 are worthy of follow-up.

17 CHAIRMAN JACKSON: But it's something you're
18 specifically going to be looking to.

19 MR. RUSSELL: The best way to describe is as it
20 relates to generic issues -- that is, where we have
21 requested a licensee or number of licensees reply to a
22 generic letter, those items are tracked through a multi-
23 plant action and we issue a TI, temporary instruction, to
24 the field that identifies specifically what is the
25 inspection activity to be followed up based upon the safety

1 significance and the other considerations.

2 So we have a formal process of giving instruction
3 on generic issues. We have an ad hoc informal process on
4 case-specific. That's an area that we need to fix to make
5 sure that amendments to licenses, where they are requested
6 by the licensee, are appropriately followed up through an
7 inspection activity, where there is a process where the
8 licensing organization tells the inspecting organization
9 explicitly whether to inspect, what to inspect, what the
10 issues to follow up.

11 We have not been doing that. That is a
12 significant implication on this process.

13 CHAIRMAN JACKSON: Given that you found 200
14 discrepancies and, you say, 37 of them resulted in a
15 violation, are you able to say at this point or do you have
16 any sense of why licensees haven't been keeping up in this
17 area? And how might this then apply to other administrative
18 controls that licensees are responsible for?

19 If you can't answer it, you can tell me that it's
20 part of your action plan.

21 MR. RUSSELL: I will come back and wrap up with
22 some implications at the end. That is an issue that is
23 being addressed within the scope of the action plan.

24 CHAIRMAN JACKSON: Okay.

25 MR. BORCHARDT: There are several modifications

1 being made to the inspection activities now to strengthen
2 our design basis inspection activities. This is clearly an
3 area that needs more attention.

4 In the short term, safety system functional
5 inspections, which are inspection procedures that already
6 exist, but have fallen out of use over the last several
7 years, are being evaluated for conduct at several sites.
8 And future headquarters-led integrated performance
9 assessment process inspections will include a vertical slice
10 design basis review.

11 These design basis review activities will compare
12 the as-built plant to the design basis. They will verify
13 selected design parameters. They will compare the design
14 basis to the FSAR documentation and also verify selected
15 licensee commitments.

16 The long-term actions are closely related to the
17 ones we've already discussed, which include revised and
18 improved inspection procedures and any program changes to
19 the inspection program.

20 CHAIRMAN JACKSON: I know that in the past there
21 were these service water inspections done in these -- what
22 do they call them -- EDSFIs?

23 MR. BORCHARDT: Right.

24 CHAIRMAN JACKSON: How are the licensing basis
25 issues resolved that arose out of those inspections in the

1 past?

2 MR. RUSSELL: I will broadly cover this. In the
3 late 1980s and on, we conducted inspections that were
4 vertical slice inspections. The two you mentioned were done
5 generically across the board based upon the mission from NRR
6 and directions that we issued through a temporary
7 instruction to conduct a particular safety system functional
8 inspection at all facilities to verify issues which had come
9 out of operating experience in other areas.

10 We also did safety system functional inspections
11 based upon regional concerns, where they would go in and
12 take a vertical slice inspection. In the late 1980s and
13 early 1990s, following the regulatory impact survey, there
14 was a concern on the part of industry of the impacts of the
15 team inspections that were being conducted and we reduced
16 the number of team inspections and cut them back
17 significantly.

18 We have been, since the '87 timeframe, focusing
19 more on operational safety activities -- operations,
20 maintenance, material, condition of plants -- and that's
21 been quite effective, I think, in improving safety of
22 facilities. But we had not given the same focus to design
23 issues and ensuring that the design assumptions, which are
24 often difficult to extract -- that is, they are buried in
25 analyses as to how they're going to operate.

1 So when you review procedures, you look at the
2 procedure; is the procedure being complied with, are the
3 operators following the procedures - that's one question.
4 The more difficult question is is the procedure itself
5 consistent with the assumptions in the safety analysis in
6 the design basis.

7 We've relied on process, plant operation reviews
8 by review committees, et cetera, but we have not focused on
9 ensuring that those details are, in fact, captured in the
10 procedures captured in design change packages. This has
11 implications for the core engineering inspection program and
12 other areas, which I will discuss in wrap-up. But it is a
13 broader issue.

14 We have essentially completed the vertical slice
15 inspections of service water. There may be a few plants
16 that have some follow-up activities, but service water
17 inspections, the electrical system design inspections were
18 completed. We also did a horizontal inspection activity for
19 motor-operated valves, independent of which systems they
20 were in.

21 We believe that we will be back in doing fairly
22 routinely vertical slice inspections as a part of the long-
23 term program and we are starting some pilots now as it
24 relates to the IPAP inspections, particularly those being
25 led by headquarters, starting in July, where we will do a

1 vertical slice as a part of that team inspection.

2 CHAIRMAN JACKSON: Because this is relevant to if
3 we identify issues or problems during the proposed vertical
4 slice inspections and what will be the agency response.
5 Now, I'm told that when these SFSIs were done in the past,
6 that the agency had an interest in licensees doing their own
7 such inspections related to design basis reconstitution.

8 Some utilities actually did that, and what did we
9 do with the results?

10 MR. RUSSELL: We were identifying a number of
11 issues and were taking escalated enforcement in the late
12 1980s associated with failures to maintain the design basis.
13 In some instances, changes which were made to the
14 facilities, that it undid some safety function that was
15 relied upon in the safety analysis report. We were
16 conducting independent design verification inspections.

17 The issue was fairly broad and the industry came
18 in with an initiative -- not an initiative. I wish at this
19 point that it had been an initiative, but they could not get
20 an 80 percent vote to commit to do this at all facilities.
21 But they came in with guidance to assess the scope of the
22 problem and basically lay out a process for a licensee that
23 wished to to determine the extent of vulnerability that that
24 particular licensee may have with their design basis.

25 Newer plants may have better design basis

1 information. Older plants may need to do more work. The
2 staff reviewed that guidance. It was developed then by
3 NUMARC. We took positions on the guidance. We forwarded
4 that to the Commission, advised the Commission that we would
5 be endorsing this as an appropriate process for voluntary
6 implementation by licensees, and identified the priority for
7 developing missing information from the design basis, with
8 the priority being to focus on technical specifications
9 first and then secondly, to redevelop information before the
10 main changes under 50.59.

11 The Commission also issued a policy statement at
12 that time which summarized existing requirements under the
13 regulation and the Commission's expectation that licensees
14 would have appropriate design basis information and that
15 that information would be consistent with the licensing
16 basis.

17 And the approach on the part of the staff was
18 through its ongoing inspection activities, should we find
19 cases where they were outside of that, to take enforcement
20 action and require that the design basis licensing basis be
21 updated and maintained.

22 We also modified the enforcement guidance at the
23 time to encourage the voluntary identification of issues.
24 So to the extent a licensee identified design issues,
25 discovered them through a program that was voluntarily

1 initiated to discover such events and problems, that we
2 would grant enforcement discretion, and Jim will be talking
3 about that in a few minutes.

4 But there is a history from 1990 on of concerns
5 with these issues and as we've shifted the balance to focus
6 on operational safety and less on these very resource-
7 intensive team inspections, some licensees stopped these
8 activities. I think that's a major lesson learned coming
9 out of Millstone, because activities which were underway
10 were terminated as a result of fiscal considerations and
11 other things and it was done without our knowledge in some
12 instances.

13 COMMISSIONER ROGERS: You just mentioned the
14 industry effort. Was that the NSAC-125?

15 MR. RUSSELL: No. NSAC-125 is the guidance for
16 conducting 50.59 reviews. This is a NUMARC document on
17 design basis programs.

18 COMMISSIONER ROGERS: NUMARC was involved.

19 MR. RUSSELL: They were involved.

20 MR. TAYLOR: We always recognize that even with
21 vertical slice, with our limited resources, there was no way
22 we could carry this rather large task out. It was up to the
23 individual utilities to examine their designs. Some of
24 them, particularly the old ones, had to go buy design
25 information.

1 So there was sort of a big move by industry, I
2 think you recall some of this, Commissioner, and doing it
3 system-by-system is a big job and as the plants -- newer
4 plants had a pretty good handle. Some of the older plants
5 had to go back to AE files, NSSS files. So there was all of
6 this motion within the industry itself to assure that they
7 had their design basis with sufficient depth that they could
8 reflect it into the facility.

9 Do you agree, Bill?

10 MR. RUSSELL: Yes, I do.

11 MR. TAYLOR: And this was an effort that was going
12 on over a period of several years at least.

13 MR. RUSSELL: In fact, some licensees have
14 developed it to the point where they have it on an
15 electronic file, where they have the information readily
16 available. Many have spent millions of dollars upgrading
17 this, but the staff issued direction to the field inspectors
18 to not conduct inspections or make programmatic requirements
19 of voluntary efforts. We did that there enforcement, other
20 inspections.

21 So the concept was if we identified concerns
22 through inspection activities, we would take enforcement and
23 require corrective action; but if the licensee did it
24 voluntarily, identified the issues, they would get relief
25 under the enforcement policy at the time. But it was left

1 on a voluntary basis and then we also, for other reasons,
2 reduced the vertical slice inspections and we now need to go
3 back and re-look at some of those issues to make sure that
4 the design basis and licensing basis is adequately being
5 maintained.

6 COMMISSIONER ROGERS: I think it's a very
7 important point here, because this is something that I think
8 certainly I wasn't really aware that it had kind of trickled
9 away to nothing, that it was going along and --

10 MR. TAYLOR: Well, we weren't either. That's part
11 of the problem, and Bill reflects on Millstone itself,
12 because it was in their hands, so to speak.

13 COMMISSIONER ROGERS: I don't want to dwell on
14 this too much, but I think there is a lesson to be learned
15 here of when we're trying to do something and we think it's
16 going along, something else comes in and then we lose track
17 of it and it's started to evaporate, because it is a very
18 important effort and there were many millions of dollars
19 spent.

20 MR. TAYLOR: I had a recent visit from Fort
21 Calhoun and during our discussions with them, they had noted
22 -- I guess they're in the final stages, and this has been
23 going on a number of years, as a public utility, and
24 dependent upon the AE and others, but they've been putting
25 it together over a period of years and the last visit, they

1 actually talked about this.

2 COMMISSIONER ROGERS: Well, it's not so much the
3 specifics of it that I'm interested in, but I think the
4 general approach that we took there is one that, in a sense,
5 we felt would be an approach for the future, and now I'm not
6 so sure that it worked.

7 MR. TAYLOR: I didn't work in all cases, that is
8 for sure.

9 COMMISSIONER ROGERS: We need to document that.

10 MR. RUSSELL: I think there is another policy
11 implication, and that's the policy implication of reliance
12 on voluntary programs where voluntary programs can be
13 changed, particularly without our prior knowledge.

14 COMMISSIONER ROGERS: Yes.

15 MR. RUSSELL: So the regulatory approach of
16 reliance on industry voluntary activities, et cetera, is one
17 that we need to have appropriate programs in place to follow
18 up to ensure that those voluntary programs are, in fact,
19 being implemented and carried out.

20 CHAIRMAN JACKSON: If the voluntary programs
21 particularly are put into place or structured to be in lieu
22 of regulatory requirements.

23 MR. RUSSELL: Absolutely.

24 CHAIRMAN JACKSON: Specific regulatory
25 requirements.

1 MR. TAYLOR: Or supplements to their action.

2 CHAIRMAN JACKSON: Right, exactly.

3 MR. TAYLOR: Jim Lieberman is next.

4 MR. LIEBERMAN: Good morning, Chairman Jackson and
5 Commissioners. Can I have slide ten, please?

6 [Slide.]

7 MR. LIEBERMAN: I intend to provide a brief
8 overview today as to where we are in developing enforcement
9 guidance and treatment of departures from the FSAR.

10 The first issue in considering enforcement action
11 is what is the appropriate requirement that should be cited.
12 There are a variety of requirements that may be violated by
13 a departure from the FSAR. To the extent the FSAR describes
14 how a licensee intends to meet a regulation and license
15 condition, the failure to meet the description in the FSAR
16 for that particular requirement may cause the licensee to be
17 in violation of that requirement.

18 A departure from the FSAR may also be in violation
19 of 10 CFR 50.59. 50.59 requires that the licensee perform
20 an evaluation, one, of changes to the facility and
21 procedures described in the FSAR and, two, of tests or
22 experiments that are to be performed which are not described
23 in the FSAR in order to determine if there's an unreviewed
24 safety question or conflict with the tech spec.

25 Failure to perform the evaluations required by

1 Section 50.59, failure to perform an adequate evaluation,
2 failure to document the evaluation, failure to report the
3 changes to the NRC are violations. 10 CFR 50.59 is a
4 prospective requirement; that is, we expect that at the time
5 of licensing, the licensing meets the FSAR.

6 In fact, many licenses have a license condition
7 that the licensed facility is described in the FSAR as
8 amended and supplemented. Thus, the concept of Section
9 50.59 is that an evaluation will be performed before a
10 change is made on the basis that we made the licensing
11 decision on.

12 We recognize that in some cases, the licensee
13 never met the FSAR and that, therefore, there is not a
14 change to the FSAR. This is considered a de facto change
15 and in violation of Section 50.59 if an evaluation had not
16 been made under the 50.59 approach.

17 Failure to update the FSAR may also be a violation
18 of 50.71(e), which, as we've said already today, requires
19 periodic updating of the FSAR. If licensing is not met in
20 the FSAR, it may also provide inaccurate information to the
21 Commission and may be subject to 50.9, which as Bill said
22 earlier, requires notice to the Commission to be complete
23 and accurate in all material respects.

24 In each case, in the enforcement process, we need
25 to decide, based on the facts of the particular case, which

1 requirements or set of requirements should be the basis for
2 performing the enforcement action.

3 Given a violation, the next step in the
4 enforcement process is to evaluate the regulatory and safety
5 significance of the violation by assigning a severity level
6 to the violation. The existing enforcement policy provides
7 guidance to assist us in characterizing violations
8 associated with FSARs and maintaining consistency. However,
9 we think additional guidance is needed to characterize
10 violations associated with 50.59 and 50.71(e).

11 In respect of 50.59, the enforcement policy
12 provides guidance to address individual violations. A
13 severity level three violation, which is the threshold for
14 escalated enforcement action, is described as a significant
15 violation of 50.59, including a failure where a required
16 amendment was not sought. This would be where you have an
17 unreviewed safety question or a conflict with a tech spec is
18 involved.

19 A severity level four violation is defined as a
20 violation of 50.59 which is less significant and there is no
21 specific guidance as to how we should treat violations of
22 50.71(e). We need to address both programmatic and isolated
23 violations of 50.59 and 50.71(e). We need to consider when
24 these violations should be categorized at a level higher
25 than a three, such as a two. We also need to consider when

1 the violations should be considered a minor violation,
2 which, under the enforcement policy, would not subject the
3 licensee to formal enforcement action.

4 We are in the process of developing additional
5 guidance by examples at different severity levels to better
6 characterize the safety and regulatory significance of these
7 violations and also improve the consistency of such
8 violations.

9 In developing the guidance, we're considering the
10 importance of both performing appropriate evaluations to
11 consider if there are unreviewed safety questions and the
12 importance of maintaining and controlling the licensing
13 basis as reflected in the FSAR.

14 We're going to provide this guidance to the
15 Commission for your review and we hope to do that within a
16 month.

17 I want to note that the existing enforcement
18 policy in Section VII.B.3 provides an incentive for
19 licensees to initiate voluntary efforts to identify and
20 correct violations that are not likely to be identified by
21 routine efforts, such as normal surveillance and quality
22 assurance activities. This provision addresses past
23 problems, such as engineering design and installation, where
24 we've placed a premium on licensees identifying and
25 correcting violations before a degraded safety system is

1 called upon to work.

2 This was the section that Bill was referring to a
3 few moments ago that we adopted to encourage the licensees
4 to voluntarily adopt design reconstitution programs.

5 Over the years, it's been used by the agency to
6 encourage licensees to voluntarily identify and correct old
7 issues that are not normally identified through routine
8 efforts. Under Section VII.B.3 of the policy, we can
9 refrain from proposing a civil penalty for violations up to
10 a level two and if the violation does not reflect current
11 performance, we can refrain from issuing a violation.

12 In light of our desire to encourage licensees to
13 review compliance with the FSAR and the potential for the
14 identification of violations during these reviews, we are
15 considering the need for guidance for the application of
16 Section VII.B.3 to FSAR issues.

17 Using this discretion we think would be consistent
18 with the revisions to the enforcement policy of last year
19 that places greater emphasis on the importance for licensees
20 identifying and correcting their violations.

21 CHAIRMAN JACKSON: Would that not offer the
22 opportunity then for licensees to get ahead of the curve in
23 this area?

24 MR. RUSSELL: Absolutely.

25 CHAIRMAN JACKSON: Particularly given that in the

1 inspection space, one is going to have this indefinite
2 extension of reviews of the FSARs. I'm just saying that for
3 emphasis, but I'm asking.

4 MR. LIEBERMAN: Well, that is its very purpose, to
5 give the incentive for them to establish formal programs
6 with defined scopes and schedules so that they will get this
7 problem under control.

8 MR. RUSSELL: We have a number of issues we've
9 already identified that are going to go into this process.
10 The corrective action for those that we've identified may be
11 a formal program. How we institutionalize the continuance
12 of that formal program to completion to ensure that it is,
13 in fact, done is also a significant issue.

14 So just relying on voluntary activities may not be
15 sufficient if we have identified already violations or
16 failures to adequately maintain the design basis or
17 licensing basis, which are both significant by way of
18 impacting safety systems or the operability of safety
19 systems, or they are so broad in scope that they raise
20 questions about whether you are operating the facility
21 consistent with the license.

22 So we may need to use tools from Part 2 to ensure
23 that such programs are, in fact, carried out, overseen and
24 monitored with a more formal process for ensuring that they
25 are carried out.

1 CHAIRMAN JACKSON: Right. But nonetheless, there
2 is the mechanism that potentially exists as opposed to lying
3 in the grass and waiting to see if the rake will rake you
4 up.

5 MR. RUSSELL: Yes.

6 CHAIRMAN JACKSON: Because when the rake rakes you
7 up, then there is a different treatment.

8 MR. RUSSELL: Absolutely. We may have already
9 captured some in the rake.

10 MR. TAYLOR: Eileen.

11 MS. MCKENNA: Thank you. My presentation will
12 briefly describe some of the provisions in 10 CFR 50.59.
13 I'll give you a little history on the regulation and how it
14 evolved, describe the recent review that the staff
15 performed, and will conclude with a description of our plans
16 for future actions.

17 Could I have the next slide, please?

18 [Slide.]

19 MS. MCKENNA: First, as Jim alluded to, 10 CFR
20 50.59 defines the conditions under which power reactor
21 licensees may make changes to their facility without prior
22 NRC approval. The licensee is the one who decides whether
23 the change they are contemplating meets the provisions of
24 50.59 and can be made.

25 Specifically, the rule provides that the licensee

1 may make changes in the facility as described in its safety
2 analysis report, if they chose the procedures as described
3 in the safety analysis report. And I didn't include it on
4 the slide, but also to conduct tests or experiments that are
5 not described in the safety analysis report without the
6 prior approval, unless it involves a change to the technical
7 specifications or an unreviewed safety question.

8 The regulation goes on to define what an
9 unreviewed safety question is and it has three provisions,
10 which, again, I'll summarize. First, that if the
11 probability or consequences of an accident or a malfunction
12 of equipment important to safety previously evaluated in the
13 SAR may be increased; secondly, if a possibility for an
14 accident or a malfunction of a different type that are
15 evaluated previously in the safety analysis report may be
16 created; and, thirdly, if the margin of safety as defined in
17 the basis for a technical specification is reduced.

18 Other parts of 50.59 address such things as
19 recordkeeping and reporting. These are the major points
20 that I want to focus on.

21 The rule itself would allow licensees to make
22 changes to its facilities provided those changes maintain
23 the licensing envelope documented in the safety analysis
24 report and technical specifications upon which the staff
25 made its decision to license the facility. Thus, it is a

1 licensing test of when NRC approval is needed on something
2 rather than a test of acceptability of the activity that's
3 involved.

4 A change may involve an unreviewed safety
5 question, but have little safety significance, and may, in
6 fact, overall be a safety improvement, but does meet the
7 test of requiring NRC approval. The need for having this
8 kind of 50.59 process arose early on in the AEC's history,
9 largely because of some other requirements at the time that
10 the hazard summary report, which now would be the safety
11 analysis report, was totally incorporated into the technical
12 specifications, and, therefore, changes to that resulted in
13 a license amendment and there were mandatory hearing
14 requirements associated with those.

15 So there was a need to have some degree of
16 flexibility to make changes without that process. In 1962,
17 the Commission issued rule-making that redefined the scope
18 of technical specifications to be less comprehensive and put
19 the remainder of the information under control of a process
20 in 50.59 that's similar to that language, but was somewhat
21 simpler than first issued in 1962.

22 I think the most significant change to 50.59 since
23 that time was in the 1968 rule-making, which did three
24 things; first, it revised 50.34 with respect to the safety
25 analysis report to describe more fully the information which

1 should be in their design basis, the safety analysis,
2 analysis of functional requirements of systems; secondly, to
3 define in 50.36 the scope of information that should be
4 included in technical specifications in the NRC today in the
5 manner you see today in terms of limiting safety system
6 settings, limiting conditions for operations and
7 surveillance requirements; and, thirdly, it revised the
8 definition of unreviewed safety question in 50.59 to add the
9 provisions with respect to malfunction of equipment which
10 had not been there previously and the reduction in margin of
11 safety.

12 The next bullet I had on the slide was reflecting
13 the issuance of the 50.71(e) rule on updated FSARs that
14 occurred in 1980. In the period after that, the staff
15 initiated efforts on technical specification improvement to
16 design to make sure the tech specs were focused on the more
17 -- information on more operational significance on a day-
18 to-day basis and that other information could be controlled
19 in other documents.

20 This initiative also triggered efforts to provide
21 better guidance on 50.59 since more information could be
22 subject to the controls of 50.59. As a result, a joint
23 NUMARC and NSAC working group developed a document known as
24 NSAC-125 to provide guidelines on performing safety
25 evaluations for 50.59. The NRC staff reviewed and commented

1 on the various drafts of this document before the document
2 was issued in 1989.

3 The staff has concluded that the licensee
4 evaluations have improved as a result of using the process
5 outlined in the NSAC document. However, the staff was
6 unable to formally endorse it because of some concerns about
7 language in specific areas, where it conflicted with the
8 language in the regulations.

9 In the fall of 1995, Chairman Jackson, you asked a
10 number of questions about the 50.59 process and the staff
11 responded in a memo of December 15, agreeing to the
12 reevaluation of the process, the adequacy of guidance, and
13 develop a plan with the goal of identifying actions that
14 could be taken to improve the implementation and oversight
15 of the process.

16 The staff responded to this in a letter of April
17 15, 1996, which had three parts. First, there was a white
18 paper that described the review staff had conducted and the
19 guidance and other information that's available; second was
20 a plan of steps that we would take in the future to try to
21 improve the process; and, thirdly, some interim guidance to
22 our inspectors that focused on current staff practices with
23 respect to 50.59.

24 [Slide.]

25 MS. MCKENNA: This slide lists the information

1 that was considered in preparing this analysis. First, a
2 look at the record for rule-making in 50.59, the comments
3 and the papers back and forth that supported this. We
4 looked closely at NSAC-125 and various internal documents
5 that had been prepared by the staff during their efforts to
6 see if they could endorse the document, examined in a lot of
7 detail inspection reports that spanned the period from, say,
8 1994 till early 1996, where they referenced 50.59, to get
9 some idea of what kinds of inspection activities resulted in
10 looking at 50.59s and also what kinds of issues arose in
11 implementation.

12 I should note that those inspections predated the
13 ones we've heard about this morning on the FSAR
14 discrepancies and the spent fuel pool ones which are not yet
15 out for the timeframe in which the reviews were done.

16 We also looked back at enforcement actions over
17 the last several years where 50.59 was a factor in the
18 action taken. Further, we looked at the NRC inspection
19 manual and other guidance, a few generic letters that speak
20 to this question of 50.59.

21 Finally, we talked to people on the staff and in
22 the regions about what areas did they find problems with,
23 what are the hard spots in day-to-day interactions, where we
24 might benefit from clarification.

25 I mentioned the inspection activities. We found

1 that they were addressed in a number of different ways.
2 First, I think there were the inspections going out to look
3 specifically at the licensee's 50.59 evaluation process,
4 look at their procedures and training and how it's carried
5 out, but also arises in many other kinds of activities,
6 follow-up on operational problems, inspection of plant
7 modifications, temporary alterations that may be in place,
8 day-to-day activities of plant review committees where they
9 address these kinds of issues. So it was a wide range of
10 activities.

11 As I mentioned, for our action plan, we do plan to
12 look further at the appropriate mix of inspection activities
13 and review activities to see what would be most effective in
14 terms of looking specifically at the evaluations versus as
15 part of other inspection activities and specifically we've
16 requested the roles of NRR and the regions with respect to
17 these activities.

18 We are planning a workshop in the near future to
19 explore some of these, an internal workshop, to explore some
20 of these issues and we will take into account a number of
21 the other inspection program changes that are being planned
22 or underway, such as the IPAP and vertical slice, in our
23 decisions.

24 With respect to the issues for further evaluation
25 under the action plan, we found that in looking at the

1 inspection information and the available guidance, that many
2 times the terms in the rule, such as changed procedure or as
3 described in the safety analysis report or margin of safety
4 as defined in the basis for technical specification, could
5 be variably interpreted among the staff, between the staff
6 and licensees.

7 And as a result, in some cases, 50.59s were not
8 performed or activities where the staff might have felt that
9 it was something that was affecting something in the FSAR.
10 The licensee did not interpret it that way because that
11 particular change that was being discussed did not
12 explicitly show up in the language of the FSAR, but was
13 related to it.

14 In other cases, 50.59s may have been performed,
15 but the conclusion as to whether an unreviewed safety
16 question was involved, again, may have reached a different
17 conclusion between the staff and the inspector because of
18 differences in view of what the meaning of some of these
19 words is.

20 Therefore, that is our focus for the next several
21 months, with our action plans designed to develop
22 clarification and definitions for some of these terms that
23 would help remove some of these different views, and we'd
24 like to then look at those definitions we develop with
25 respect to the specific language in the rule to make sure

1 they're consistent, and then define where we go from there
2 as to whether we can put forward such definitions in the
3 form of guidance or whether we would need to do some other
4 kind of action to make improvements in that area.

5 As I indicated, for the action plan, we have
6 established a work group and we've had some meetings, we've
7 been discussing these issues, looking at the existing
8 definitions that may exist in some guidance or the NSAC
9 document to see whether we can come to an agreement on
10 what's a reasonable understanding of these terms, and then
11 we will move that forward in the process.

12 I think I'll leave the question of schedules until
13 after the next presentation, which is a broader look at
14 lessons learned.

15 That concludes my presentation. Thank you.

16 CHAIRMAN JACKSON: One question. You mentioned
17 interim guidance.

18 MS. MCKENNA: Yes.

19 CHAIRMAN JACKSON: Can you give us a highlight or
20 two of --

21 MS. MCKENNA: Yes. The interim guidance addresses
22 a couple of specific aspects that have come up, again, in
23 some of the day-to-day issues. One is with respect to the
24 question of compensating actions. This relates to the kind
25 of situation where in considering something as a change, the

1 licensee may also be contemplating some administrative
2 controls to result in a no net change as a result of that
3 activity.

4 The interim guidance provides that the staff
5 accepts that kind of approach provided that the changes that
6 you're talking about a negligible and that the compensating
7 effect, if you will, clearly outweighs the change that
8 you're considering with respect to impact on increasing
9 probability or consequences of an accident. So that's one
10 area that's addressed in interim guidance.

11 It also, I think, otherwise summarizes some of the
12 positions that have been established; for instance, Jim
13 mentioned the question of de facto changes or I think it --
14 I sometimes refer to it as non-conforming conditions, where
15 a licensee discovers that something is not the way the FSAR
16 says it is and needs to respond to that, and the guidance
17 refers to our Generic Letter 91-18 that provides the
18 existing process for how a licensee disposes those kinds
19 of issues.

20 We do have one question that we're considering
21 further with respect to 50.59 in particular in that area
22 that relates to the kind of -- when you should be doing a
23 50.59 with respect to those kinds of conditions.

24 The guidance also talks about some other ongoing
25 things; for instance, the equipment management process that

1 has been developed to handle equipment other than those that
2 are governed by processes such as 50.59 or license
3 amendments and how that relates.

4 So we've tried to lay out some of these kind of
5 current issues and current practice in one document for the
6 inspectors to have for reference.

7 CHAIRMAN JACKSON: These are issues that had not
8 been dealt with before and you just felt the need for
9 strengthened guidance at this stage.

10 MS. MCKENNA: Well, some of them have been dealt
11 with in various places. I think these -- given the issues
12 that have been raised by 50.59, it was appropriate to put
13 forward a document that expressed sort of the current view
14 of these issues for their reference and that we would take
15 action to look further at them in the future. Some of these
16 positions may change, but this was to try to provide them a
17 basis to conduct their activities.

18 CHAIRMAN JACKSON: Yes. I noted that non-
19 conforming conditions was under your list.

20 MS. MCKENNA: Yes.

21 CHAIRMAN JACKSON: For the action plans. So, in
22 fact, this guidance may migrate or change as an outcome of
23 this --

24 MS. MCKENNA: Yes. Right now, the guidance with
25 respect to 50.59 really says that a licensee, then they

1 discover such a condition, may decide to change its
2 licensing basis to accept the condition. So that, again,
3 you would resolve a discrepancy by changing your licensing
4 basis.

5 What was left there, although there is some
6 language in there, was at what point should you be doing a
7 50.59 because you have not resolved the condition and
8 essentially you have made a de facto change.

9 CHAIRMAN JACKSON: So this is retrospective versus
10 the prospective use of 50.59.

11 MS. MCKENNA: Right.

12 MR. RUSSELL: I'd like to broadly summarize what
13 we did. The intent was not to create new guidance. The
14 intent was to summarize existing guidance to head them
15 through the review and improvement process.

16 CHAIRMAN JACKSON: Okay.

17 MR. RUSSELL: And, broadly, in personally meeting
18 with inspectors at counterpart meetings and discussing this
19 issue, the problems we're seeing are failures to perform
20 50.59 reviews and all that is is they make a change and they
21 have not done a review. Those are fairly black-and-white
22 and are able to be handled through the regional inspection
23 process.

24 We've indicated that the question comes up
25 regarding the quality of the 50.59 that has been performed.

1 But rather than debating that at a local level, that it
2 should be forwarded to headquarters under a TIA, during the
3 period of time that we're trying to develop guidance,
4 particularly as it relates to increase in probability or
5 consequence of an event or a reduction in margin.

6 If we get into debates where those terms are
7 relevant, we've said, in the interim, forward it to
8 headquarters to get assistance in the review rather than
9 using the field review process to de facto define those
10 terms.

11 CHAIRMAN JACKSON: Do you anticipate that looking
12 at this issue of degraded or non-conforming conditions and
13 the use of 50.59 in a retrospective sense will require any
14 kind of a rule?

15 MR. RUSSELL: It may very well. We believe that
16 we may need rule-making as it relates to defining current
17 licensing basis in Part 50.

18 CHAIRMAN JACKSON: Is this going to be part of
19 your summary comments?

20 MR. RUSSELL: Yes, it will be.

21 CHAIRMAN JACKSON: All right.

22 MR. STEIN: I'm heading up the task with Bill
23 Russell to draw together all the lessons learned coming out
24 of the activities related to the situation at the Millstone
25 site and to respond to the Chairman's request for a report

1 that explores our existing oversight processes.

2 We broadened the scope of the task beyond just the
3 50.59 issues, the FSAR and license amendment issues coming
4 from Millstone. We considered having a regional member on
5 the task group, but the immediacy and the length of the
6 effort prohibited us from getting a member from the region.
7 However, the regional administrators are all aware of the
8 effort and have seen copies of our plan and will be informed
9 of --

10 CHAIRMAN JACKSON: Would it not be appropriate to
11 structure meetings or interaction or do you plan to do that?

12 MR. RUSSELL: I'll be covering the next steps,
13 which include management-regional.

14 CHAIRMAN JACKSON: Okay.

15 MR. STEIN: Our charter to do a broad-based
16 evaluation of the lessons learned from the existing reviews
17 at Millstone and other related activities, for their
18 implications to our oversight processes. We're to determine
19 the implications of those lessons learned on the broad
20 programs and policies that provide direction for our
21 programs.

22 The group is addressing four general areas, and
23 those are licensing, inspections, enforcement and licensee
24 reporting.

25 [Slide.]

1 MR. STEIN: The next slide lists our three basic
2 objectives for the group, and that's to identify
3 deficiencies or holes in our regulatory programs that are
4 associated with the problems, again, highlighted by the
5 situation at Millstone and to determine the causes for those
6 deficiencies. We're doing this by integrating all the
7 findings from the various activities to see if their -- the
8 broadness of the issues, the depth of the issues.

9 From that, we will make recommendations for
10 changing existing processes, developing new processes, or
11 identifying areas that might require further review. The
12 recommendations we anticipate making will be program office
13 or agency level recommendations. Program enhancements for
14 specific existing processes we see coming out of the
15 individual review activities.

16 And the third major objective, the last objective,
17 is to consider all this information that we gather for its
18 broad implications for the agency's policies and directions
19 in its regulatory programs.

20 CHAIRMAN JACKSON: Will it also address the
21 implications in terms of how those programs are structured
22 and how they are managed?

23 MR. STEIN: Yes. Yes.

24 [Slide.]

25 MR. STEIN: Slide 18 lists how we're going to meet

1 those objectives. We are collecting, reviewing and
2 analyzing the findings of ongoing and past activities that
3 bear on the issues. We are supplementing that information
4 with our own reviews and information gathering efforts,
5 hopefully without duplicating work that has already been
6 done.

7 The ongoing activities that we're drawing
8 information on are those that we've just discussed this
9 morning -- spent fuel pool review, the FSAR inspection
10 effort, and the 50.59 process review. Other ongoing
11 activities are Millstone-specific, and those include the on-
12 site team, Office of the IG investigations, even Millstone's
13 self-assessment of the event, and, if timely, the responses
14 from Northeast Utilities to the 50.54(f) letters.

15 Some of the past activities that we are drawing
16 information from and reviewing are the policies and process
17 that we went through to define current licensing basis in
18 Part 54, the commitment management audits that were
19 conducted after that to respond to questions and issues that
20 came out of that rule-making, and the regulatory review
21 report as it relates to consistency of regulation.

22 Some of the independent reviews that we're doing
23 include historical analysis. We're doing a historical
24 analysis of the inspection program to identify major changes
25 in the program, major focus specifically on design basis

1 type inspections and how that may have affected licensee
2 focus. We're also doing an historical analysis of
3 enforcement; again, specifically design related issues.

4 We have also done an analysis of design related
5 events that were reported to us under licensee event
6 reports, comparing design based events to total events and
7 to see if there is some correlation between that and perhaps
8 the focus in our inspection program or enforcement history.

9 We're also reevaluating the basis for licensing
10 information and licensing documents, such as the FSAR.

11 [Slide.]

12 MR. STEIN: The next slide, 19, lists some of the
13 issues that we're exploring and we will address in our final
14 report. The group is examining these issues that relate to
15 our programs and processes that may have contributed to not
16 identifying problems earlier, and there include licensing
17 and design basis of plants to determine if or how well
18 they're defined, how well they're understood, and how well
19 they're maintained.

20 We're looking at how significant licensing
21 actions, specifically plant-specific ones, are verified. As
22 Mr. Russell indicated earlier, we have a set process for
23 generic issues, but there is no formal process for plant-
24 specific issues.

25 We're looking at, again, how major changes in the

1 inspection program affected ours and perhaps licensees'
2 focus and how licensing or design basis information is and
3 should be used in the NRC's inspection program. We're
4 looking at consistency of our regulations, specifically
5 those dealing with reporting issues to us, such as on the
6 50.59, 50.71(e), and 50.73. Finally, we're looking at the
7 adequacy of the enforcement policy to handle licensing basis
8 issues.

9 If there are no questions, I'd like to pass this
10 back to Mr. Russell for the schedule and next action.

11 MR. RUSSELL: I'm going to do this in two parts.
12 I will talk about the short-term schedules first, then I'll
13 talk about what some of the implications are broadly. So
14 I'll go through the schedule pieces.

15 As we indicated earlier, we're going to complete
16 issuing the information in inspection reports from the fuel
17 pool surveys and put that into our normal enforcement
18 process and we will complete our review of potential
19 enhancements to that process by June 28.

20 The FSAR inspection analysis of the approximately
21 200 issues that were forwarded to the Commission, we expect
22 to complete our analysis of those, as was described by Mr.
23 Borchardt, and have that information factored into the
24 analysis that Steve Stein just discussed by the end of July.

25 We are expecting to have completed our guidance

1 and actually commence some pilot inspections in the IPAP
2 process in July. We'll have that out and the licensees will
3 have been informed of it.

4 The 50.59 action plan, the broad objective is to
5 complete the program review and the other matters that
6 Eileen talked about by October of '96, such that we would be
7 in a position to obtain public comments and go through that
8 process. We anticipate that there will be a number of
9 interactions with the Commission through this. This is not
10 to indicate that we don't expect to come back before
11 February of '97, but that's kind of the timeframe that we
12 expect to have to final recommendations to you based upon a
13 public interaction process. Then, broadly, pulling this
14 stuff together as its known at the time is intended to have
15 a report to me by the end of July.

16 If I could have the next slide, please.

17 [Slide.]

18 MR. RUSSELL: Once we have that information to me,
19 we need to go through a management review, involve the
20 regional administrators and the other line managers, and get
21 the raw information from the task force report to the
22 Commission. We then expect to complete a management review,
23 prioritize the activities, identify the resources that would
24 be involved in doing that, and develop a detailed action
25 plan and then forward that action plan to the Commission to

1 get the Commission's agreement on the priorities, schedule
2 and approach to be taken.

3 This is a process similar to that which was
4 followed for the regulatory review group; that is, gather
5 the raw data, the information, identify areas first, take
6 that through a management review process, with Commission
7 involvement, to establish priority schedules.

8 I indicated that I would try, based upon what we
9 have learned to date, to identify, in each of the four areas
10 that we're looking at, what are some of the broader
11 implications at this point for the programs, and I will
12 focus on licensing, the inspection, enforcement and
13 reporting.

14 I see three areas in the licensing context. First
15 is the final safety analysis report accuracy and
16 completeness and its ability to be used as a tool in
17 licensing activities, as it was intended with the update
18 rule previously. That is, it's important to understand what
19 the licensing basis is so that you can use it both in
20 licensing review for making changes to the facility and in
21 inspection activities.

22 Related to that is the important question to be
23 answered of the role between the project manager, regional
24 inspectors and residents as it relates to the FSAR accuracy,
25 completeness and how we test that. So that is being

1 addressed in parallel.

2 The second area associated with licensing we had
3 mentioned in the briefing, and that is case-specific
4 requests for amendments to license or other approvals and
5 providing feedback to the inspection program as to what
6 types of inspection activities should be done to confirm
7 that those requirements are being appropriately implemented
8 or met.

9 This includes reliefs from the code, case-specific
10 amendment requests, et cetera. Our process is presently to
11 do that with issuance of a temporary instruction; that is,
12 instructions to the field is done only for generic issues.
13 It is not done on a case-specific basis.

14 The third area relates to commitment, tracking and
15 closure, particularly as it relates to commitments made in
16 the licensing process, but this issue applies equally well
17 in the inspection process. In some instances, commitments
18 are made related to taking corrective action for past
19 violations and we need to make sure that those commitments
20 are carried through to completion.

21 One of the things we are learning from the
22 Millstone review and what we've seen from some licensing
23 issues is that commitments are often closed and the systems
24 we have for keeping book on them are closed before they're
25 fully implemented. We do have procedures for following

1 unresolved items, open items in inspection activity or
2 following them in licensing activity, but in some instances
3 they've been inappropriately closed before the action was
4 totally completed.

5 In the inspection area, I think there are five
6 broad implications. One relates back to the items discussed
7 earlier, and that's the FSAR completeness and accuracy.
8 This is both the descriptions of the facility and the
9 information contained in the FSAR and how that's used in the
10 inspection process. We intend to continue using the FSAR as
11 a prime source of information in conducting inspection
12 activities.

13 The second area relates to design basis and
14 licensing basis and the need to conduct vertical slice
15 inspections similar to safety system functional inspections.
16 The reason for that is it's not simply enough to read the
17 FSAR. If there is a commitment made to meet single failure
18 criteria, that is only able to be tested once one looks into
19 the actual design and how the design has been implemented.
20 So while the commitment may be described, how the commitment
21 is implemented requires a much more in-depth inspection
22 activity.

23 The third area of broad programmatic concern
24 relates to the engineering and core inspection activities.
25 By core inspection, we mean the inspection that would be the

1 minimum that would be done at all facilities where they had
2 SALP Category 1 in each of the areas.

3 In the past, we focused on operational safety and
4 engineering support to operations and maintenance, those
5 types of activities. We need to make sure that there is an
6 appropriate focus on the responsibility of the engineering
7 organization to maintain the design basis consistent with
8 the licensing basis of the facility over time.

9 An important note here, and this relates to risk-
10 informed or other activities where you may use a
11 probabilistic risk insight, and that is it's an assumption of
12 a PRA that the design will work and that you address random
13 failures. So to the extent there are problems associated
14 with maintaining the design basis or the licensing basis,
15 those issues in general cannot be handled with PRA insights.
16 Rather, it's a fundamental assumption that the design basis
17 has been maintained and the systems will operate consistent
18 with that design. If the design will not work, you have a
19 common cause failure or you are outside probabilistic
20 assessment techniques.

21 The fourth area of implication for inspection
22 relates to our quality assurance activities and quality
23 assurance inspection efforts. In the past, we've looked at
24 component quality, how do you assure component quality,
25 those type of activities, operational activities. We need

1 to ensure that the focus is back on design control, as well,
2 and the requirements of Appendix B to maintain the design.

3 The final area is related to handling of degraded
4 and non-conforming conditions. We expect that those will
5 occur. We have issued guidance associated with Generic
6 Letter 91-18 on how to handle various types of degraded non-
7 conforming conditions, how that interfaces with operability
8 evaluations required under the technical specifications, et
9 cetera.

10 We need to make sure that that process is
11 consistent with respect to the 50.59 evaluations, the timing
12 of those, when does it constitute a temporary change to the
13 facility or is it something which is being handled as a
14 corrective action under Appendix B. This is an area that
15 has had a lot of questioning from regional inspectors and
16 others at counterpart meetings and we need to refocus those
17 issues.

18 Enforcement is probably the nearest term item to
19 deal with from the standpoint of -- we're working on the
20 guidance now as to how to handle these under the existing
21 regulatory requirements and we hope to have that to the
22 Commission in the month of June, and then we'd be using that
23 to ensure that it is done consistently in the field.

24 In the area of reporting, I think the issue here
25 is not necessarily a concern with the regulations, but

1 potentially the threshold with respect to when design or
2 licensing basis type information is reported. We'll be
3 looking at the history of those reports to see whether the
4 changes we made in staff guidance resulted in fewer reports
5 being provided, et cetera. So there may be a need to
6 address guidance as it relates to deficiencies in
7 maintaining the design basis or potential operation outside
8 of the design or licensing basis.

9 Those are the types of areas we expect to address.
10 We believe that there will be a number of recommendations
11 and we will try and prioritize them into priority groupings
12 and identify whether they are near-term or long-term, to
13 give some idea for schedule and estimate for resources. We
14 expect to complete those activities and be prepared to
15 address the Commission on the results of the first part of
16 the review -- that is, the staff effort and what the
17 recommendations are -- by about the mid to late August
18 timeframe.

19 MR. TAYLOR: That concludes the staff
20 presentation.

21 CHAIRMAN JACKSON: Commissioners, any questions?

22 COMMISSIONER ROGERS: No. I think this has been
23 very complete and I don't have any additional questions.

24 COMMISSIONER DICUS: Nothing.

25 CHAIRMAN JACKSON: Okay. It's been a long

1 meeting. I would like to thank the members of the staff for
2 your briefing to the Commission. Today you have presented a
3 lot of information that indicates how much work you've
4 already done to scope out the generic implications of the
5 issues that have been raised in connection with Millstone
6 and, more broadly, with FSARs and 50.59.

7 I've listened to your findings from the spent fuel
8 pool licensing basis review, the FSAR inspections, and the
9 review of the 10 CFR 50.59 process and it's my view that
10 there are two primary issues or a couple of issues, I should
11 say, around which everything else seems to revolve. One has
12 to do with the interpretation and use of the current
13 licensing basis of a facility. That seems to be at the root
14 of a lot of what we're talking about. And then the process
15 used to change a facility without NRC approval.

16 And a third then is the cross-connect with other
17 processes and other regulatory documents and requirements as
18 we move to a performance-based regulatory environment, and
19 we talked specifically about some of the defense-in-depth
20 issues, the interface with tech specs.

21 Now, with respect to the licensing basis issue,
22 you indicated, in the short-term, that you plan to perform
23 design basis inspection activities and the safety system
24 functional inspections or vertical slice reviews that are
25 planned as part of the integrated performance assessment

1 program beginning in July, and that's what my understanding
2 is.

3 You will also review the NRC's regulatory program
4 for power reactors and determine the implications of the
5 lessons learned from the ongoing activities related to the
6 FSAR inspections and licensee implementation of 10 CFR
7 50.59.

8 Once we understand, and that's presumably what you
9 have just outlined, the extent and safety significant of
10 vulnerabilities in this area, then you are going to be
11 developing workable options that you will be coming to the
12 Commission for guidance on for addressing them.

13 It is important that the improvements that you
14 have outlined in the 10 CFR 50.59 action plan are pursued,
15 particularly as relates not only to guidance to our own
16 people, but guidance to licensees in preparing adequate
17 safety evaluations in support of those determinations. What
18 we are looking for is a consistent degree of consistency in
19 licensee implementation and in consistency in NRC oversight
20 of the process.

21 In the context of these efforts, and you've
22 already referenced this, Mr. Russell, the staff should
23 consider whether the regulations should be amended to define
24 better the scope of applicability for 10 CFR 50.59,
25 definition of the current licensing basis, and any attendant

1 FSAR update requirements in 10 CFR 50.71. But I think you
2 feel that those requirements are well laid out. So it
3 strikes me that the first two appear to be, based on your
4 presentation, where the focus has to be.

5 So all of that is to say, and you've said it to us
6 already, that significant work remains to be done and so
7 timely, and I put the emphasis on timely, resolution of
8 these issues should properly focus on the most effective
9 means for monitoring the safety of operating reactors,
10 because that's, in the end, what we want to keep in front of
11 us.

12 So I would encourage you to work closely with the
13 Commission as you move forward in considering changes and in
14 implementing improvements to our oversight processes. I'm
15 also going to ask the staff to brief the Commission again
16 before any final decisions are made.

17 And let me discuss a couple of other things before
18 I close. I would like to emphasize that it is the
19 licensee's responsibility to know, to maintain, and to
20 assure operation of their facilities within their licensing
21 bases and I would encourage licensees that have weaknesses
22 in their licensing basis documentation to proactively
23 address those weaknesses. And we have indicated that there
24 are mechanisms that provide an opportunity to get ahead of
25 the curve in this regard.

1 There's a lot of discussion and as you're working
2 through your action plan, there's a tendency to kind of
3 discuss separability with respect to different aspects of
4 our regulatory program, where that separability, if it
5 existed in the past, is, to some extent, being merged as we
6 go to these performance-based approaches. Of course, my
7 favorite example involves the improved standard tech spec
8 program, where certain things are going to be moved to
9 either FSARs or other licensee controlled documents, which
10 gives greater urgency to these issues of what constitutes
11 the current licensing basis, how it's being maintained, et
12 cetera.

13 I think also it would helpful, when you come back
14 to the Commission, that there is clarification and real
15 specificity with respect to what you believe requires a
16 regulatory change or a change in regulations versus what can
17 be handled through guidance changes, so that we understand,
18 as a Commission, what is going to be rooted in our
19 regulations and what are we leaving up to implementation
20 through guidance.

21 Now, the Commission is going to be looking forward
22 to receiving this lessons learned report that you talked
23 about, together with a comprehensive report being done by
24 the IG relative to lessons learned coming out of this. And
25 I would say the following -- that if the lessons learned

1 activities do not address only the issues listed, but also
2 the implications for how our programs are actually
3 structured and managed, specifically with respect to the
4 interaction among headquarters, the regions and the
5 residents, then we will not have gotten to the roots and the
6 hearts of these issues.

7 So we need then -- or I would urge you to be sure
8 that you develop an effective mechanism for getting regional
9 input, particularly from our resident inspection program,
10 because that is where the rubber meets the road with respect
11 to our interface with licensees, and the Commission would
12 like to see that well fleshed out in your action plan in
13 terms of how you're going forward.

14 And so with that, unless there are any further
15 comments or questions, the meeting is adjourned. Thank you.

16 [Whereupon, at 12:09 p.m., the meeting was
17 concluded.]

18
19
20
21
22
23
24
25

CERTIFICATE

This is to certify that the attached description of a meeting of the U.S. Nuclear Regulatory Commission entitled:

TITLE OF MEETING: BRIEFING ON NRC INSPECTION ACTIVITIES
- PUBLIC MEETING

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Friday, May 31, 1996

was held as herein appears, is a true and accurate record of the meeting, and that this is the original transcript thereof taken stenographically by me, thereafter reduced to typewriting by me or under the direction of the court reporting company

Transcriber: Natalie Renner

Reporter: Jon Hundley



OPERATING POWER REACTORS INSPECTION PROGRAM

May 31, 1996

William T. Russell

OVERVIEW

- **Spent Fuel Pool Licensing Basis Review**
- **FSAR Inspections and Findings**
- **Design-Basis Inspection Activities**
- **Enforcement Issues**
- **10 CFR 50.59 Review And Action Plan**
- **Review Of Lessons Learned**
- **Schedule**
- **Next Steps**

OVERVIEW REGULATIONS

- **Requirements For License**
 - **50.34 Contents of Application - Technical Information**
 - **50.34(b) Final Safety Analysis Report**
- **50.2 Definition Of Design Bases**
- **50.36 Technical Specifications**

OVERVIEW REGULATIONS

- **Maintenance Of License**
 - **50.54 Conditions Of License**
 - **50.59 Changes, Tests And Experiments**
 - **50.71(e) FSAR Update**
 - **50.90 Application For Amendment Of License**
 - **50.73 Licensee Event Reports**
 - **50.9 Completeness And Accuracy Of Information**
- **License Renewal**
 - **10 CFR 54.3 Definition Of Current Licensing Basis**

SPENT FUEL POOL LICENSING BASIS REVIEW

- **Project Objective**
 - **Determine Compliance With Current Licensing Basis (CLB) For All Plants With Respect To Spent Fuel Decay Heat Removal And Core Offloads**
 - **Collect Detailed Data To Support Resolution Of Spent Fuel Pool Action Plan**
- **Project Scope**
 - **For All Operating Reactors**
 - **Two Key Elements**
 - **Determine CLB Requirements**
 - **Review Refueling Practices For Compliance With CLB**

SPENT FUEL POOL LICENSING BASIS COMPLIANCE FINDINGS

- **Current Refueling Outage Practice**
 - **Plant Refueling Outage Practices Consistent With Licensing Basis For 1996 And Future Refueling Outages At All Plants**
- **Past Offload Practices**
 - **Some Sites Conducted Full Core Offloads That May Not Have Been Consistent With Licensing Basis**
- **Did Not Comprehensively Review Past Outages At All Plants**
- **FSAR Update Activities**
 - **10 CFR 50.71(e) Requires Periodic FSAR Updates To Include Information Used To Support License Amendments**
 - **Some Sites Had FSARs That Did Not Reflect Information From Past License Amendments**
- **Documenting Plant-Specific Findings by June 28**

SPENT FUEL POOL LICENSING BASIS OTHER FINDINGS

- **Consistency and Clarity of Licensing Bases**
- **Control of Design Basis Assumptions**
- **Plant Modifications Under 10 CFR 50.59**
- **Outage Maintenance Practices**

FSAR INSPECTIONS AND FINDINGS

- **FSAR Inspection Activities**
 - **Inspection Guidance Issued January 25, 1996**
 - **Review Of FSAR Now Part Of Each Routine Inspection**
 - **Obtaining Additional Program-Related Information**
 - **Data Analysis To Be Completed August 1, 1996**
- **FSAR Inspection Findings**
 - **Approx. 130 Inspection Reports From 70 Sites From January To April**
 - **Approx. 220 Discrepancies Identified**
 - **37 Discrepancies Resulted In A Violation**
 - **Some Discrepancies May Cause A Plant Change**

DESIGN-BASIS INSPECTION ACTIVITIES

- **Short-Term Activities**
 - **Safety System Functional Inspections**
 - **Temporary Guidance For Engineering Portion of IPAP**
 - **Headquarters IPAP Teams Starting In July**
 - **Comparison Of Systems To Design-Basis Documents**
 - **Independent Verification Of Selected Design Parameters**
 - **Verification Of Licensee Commitments For Systems**
 - **Comparison Of Design-Basis Documents With FSAR**
- **Long-Term Activities**
 - **Incorporation of Guidance Into IPAP Procedure**
 - **Determine Other Needed Program Revisions**

ENFORCEMENT ISSUES

- **Potential Violations For Failing To Conform To FSAR**
 - **Regulations And License Conditions**
 - **10 CFR 50.59 (Actual And Defacto Changes)**
 - **10 CFR 50.71(e)**
 - **10 CFR 50.9**
- **Severity Levels**
 - **Develop Guidance To Categorize Safety And Regulatory Significance Of Violations Of 10 CFR 50.59 And 50.71(e)**
- **Past Engineering, Design, Or Installation Violations (Section VII.B.3 Of Enforcement Policy)**
 - **Provide Incentives To Identify And Correct Violations Not Likely To Be Identified By Routine Efforts**
 - **Developing Guidance On The Application Of Section VII.B.3 To FSAR Issues**

REVIEW OF 10 CFR 50.59 PROCESS

- **Introduction**
- **History**
- **Information Reviewed For Action Plan**
- **10 CFR 50.59 Action Plan**

REVIEW OF 10 CFR 50.59 PROCESS INTRODUCTION

- **10 CFR 50.59 Describes Conditions Under Which Power Reactor Licensees May Make Changes To Their Facility Or Procedures As Described In The Safety Analysis Report Without NRC Approval**
- **NRC Approval Required For Changes Involving Change To Technical Specification Or An Unreviewed Safety Question (USQ)**
- **Definition of USQ**
 - **Probability Or Consequences May Be Increased**
 - **Different Type Of Accident/Malfunction May Be Created**
 - **Margin Of Safety Is Reduced**

REVIEW OF 10 CFR 50.59 PROCESS HISTORY

- **10 CFR 50.59 Promulgated In 1962**
- **1968 Rulemaking Revised The Definition Of Unreviewed Safety Question**
- **Safety Analysis Report Update Rule In 1980 (10 CFR 50.71(e))**
- **Technical Specification Improvement Program**
- **Issuance Of NSAC-125**
- **Chairman Request For Reevaluation**

REVIEW OF 10 CFR 50.59 PROCESS INFORMATION REVIEWED

- **Regulatory Framework And History**
- **NSAC-125 And Related Documents**
- **Inspection And Enforcement Records**
- **Guidance Documents (Inspection Procedures,
Generic Letters)**
- **Staff Comments**

REVIEW OF 10 CFR 50.59 PROCESS ACTION PLAN

- **Formulate Positions Or Definitions On Topics Listed Below And Evaluate Need For Additional Guidance For Staff Or Industry**
 - **Screening Criteria**
 - **Nonconforming Conditions**
 - **Compensating Actions**
 - **Use Of PRA Techniques**
 - **Change As Described In The SAR**
 - **Margin Of Safety**

LESSONS LEARNED ACTIVITIES

- **Task Group Formed April 15, 1996**
 - **Four Members From NRR**
 - **One Member From AEOD**
- **Charter: To Broadly Consider NRC's Regulatory Program for Power Reactors and Determine The Implications Of The Lessons Learned From Ongoing Activities. The Group Is Addressing Four General Areas:**
 - **Licensing**
 - **Inspections**
 - **Enforcement**
 - **Licensee reporting**

LESSONS LEARNED ACTIVITIES OBJECTIVES

- **Identify The Root Causes For Deficiencies In Regulatory Programs**
- **Make Recommendations For Changing Existing Regulatory Programs And Processes, Or For Establishing New Processes And Establish A Schedule For Implementing The Recommendations**
- **Evaluate The Information Gathered For Its Broad Implications For The Agency's Policies That Provide The Direction For Its Regulatory Processes**

LESSONS LEARNED ACTIVITIES

TASK GROUP ACTIVITIES

- **Collect And Analyze Findings From Other Ongoing Activities**
 - **Generic Activities Previously Discussed**
 - **Millstone-Specific Activities**
- **Review Results Of Past Activities Related To Issues**
 - **Current Licensing Basis And Commitment Management**
 - **Regulatory Review Group Report**
- **Conduct Separate Reviews To Obtain Related Information**
 - **Historical Reviews**
 - **Analysis Of Design-Related Events**
 - **Legal/Regulatory Basis For Licensing Basis Information**
- **Complete Its Review by July 1996**

LESSONS LEARNED ACTIVITIES ISSUES BEING CONSIDERED

- **How Are Licensing Bases Being Maintained?**
- **How Are Plant-Specific Licensing Actions Verified?**
- **Are “Licensing Basis” And “Design Basis” Adequately Defined And Understood?**
- **How Have Changes In The Inspection Program Affected Licensee And NRC Focus?**
- **What Is The Appropriate Emphasis For Licensing Or Design Bases In The Inspection Program?**
- **Are Current Regulations Adequate And Consistent?**
- **Are Enforcement Policy And Practices Adequate And Understood?**

INTEGRATED SCHEDULE

- **Spent Fuel Pool Basis**
 - Recommendations for Potential Enhancements **June 28, 1996**
- **FSAR Inspections**
 - Analysis Complete **July 31, 1996**
- **Design-Basis IPAPs**
 - Headquarters Teams **July 1996**
- **50.59 Action Plan**
 - Program Review Complete **October 1996**
 - Obtain Public Comments **December 1996**
 - Commission Paper **February 1997**
- **Lessons Learned Report To DONRR** **July 31, 1996**

NEXT STEPS

- **Lessons Learned Report to EDO and Commission** August 1996
- **Management Review (RAs, NRR, AEOD, RES)** August-September 1996
- **Develop Action Plan** September 1996
 - **Periodic Reports To EDO**
 - **Action Plan Approved** October 1996