

January 2, 1997

SECY 97-001

For: The Commissioners

From: James L. Blaha, Assistant for Operations, Office of the EDO

Subject: WEEKLY INFORMATION REPORT - WEEK ENDING DECEMBER 27,  
1996

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\*No input this week.

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Office of Nuclear Material Safety and Safeguards  
Items of Interest  
Week Ending December 27, 1996

Meeting of National Conference of State Legislatures' (NCSL) Low-Level Radioactive Waste (LLW) Working Group

On December 11, 1996, the Low-Level Radioactive Waste (LLW) Working Group of the National Conference of State Legislatures met in Washington, DC. A representative from the Department of the Interior (DOI) provided an update on that department's activities related to the transfer of Federal land to the State of California for the planned Ward Valley LLW disposal facility. DOI plans to issue a supplement to the original environmental impact statement (EIS) for the land transfer which considers new information. DOI reviewed the scope of work for a request for proposal (RFP) that was issued on that same day. Thirteen new issues are identified in the RFP for review.

Proposals must be submitted by January 23, 1997, and the period of work is specified to be eleven months. A draft and final supplement to the EIS are to be prepared and public comments on the draft analyzed.

Atlas Meeting with the U.S. Department of the Interior

On December 18, 1996, staff from the Division of Waste Management participated in a meeting between representatives of Atlas Corporation and DOI in Denver, Colorado. The meeting was held to discuss DOI's concerns with Atlas' proposed reclamation plan for its uranium mill in Moab, Utah and DOI's comments on the Nuclear Regulatory Commission's (NRC's) Draft Environmental Impact Statement (DEIS) and Draft Technical Evaluation Report (DTER) related to the reclamation. The DEIS and DTER were published in January 1996 and DOI formally commented on the documents in April 1996. At a July 25, 1996, meeting with NRC staff, DOI requested a meeting at which its technical staff could discuss its concerns.

The primary focus of the meeting was the existing groundwater contamination, created by the Atlas tailings, in the alluvial aquifer and potential impacts to the Colorado River and to other groundwater resources. Atlas representatives also presented background material, including information on the history of the site, and stressed the urgency of a quick decision. The NRC staff also briefed DOI staff on NRC's legislative and regulatory framework and on the uranium mill tailings program.

Meeting with the State of Texas on Uranium Recovery Review Plan

On December 11, 1996, staff from the Center for Nuclear Waste Regulatory Analyses (CNWRA) met with representatives of the Texas Natural Resources Conservation Commission (TNRCC). The purpose of the meeting was to gain an understanding of how the TNRCC is evaluating and licensing uranium recovery in situ leach facilities (ISLs). Topics discussed at the meeting included: (1) how the State of Texas conducts reviews; (2) experience from the licensing reviews such as acceptance criteria and procedures; (3) insight from operations and decommissioning of facilities; and (4) wellfield restoration pore volumes. This information is being gathered by the CNWRA staff as input to the development of a Standard Review Plan (SRP) for use by the staff in reviewing new and renewal applications for ISLs. A second, public meeting with representatives from the uranium recovery industry is scheduled in March 1997. Consistent with Commission direction, both the State of Texas meeting and the industry meeting

will allow the staff to obtain public input early in the SRP development process. The TNRCC representatives noted that they were implementing several NRC staff review procedures such as: (1) the use of acceptance reviews as a means of ensuring complete, high quality applications; (2) the application of NRC Regulatory Guide 3.46, "Standard Format and Content of License Applications, Including Environmental Reports, for In Situ Uranium Mining;" and (3) the implementation of performance-based licensing.

#### Sale of Power Resources In Situ Leach Facility

On December 23, 1996, staff from the Uranium Recovery Branch, Division of Waste Management and the Office of the General Counsel informed Power Resources, Inc. (PRI) that the NRC consented to the purchase of PRI by Cameo Resources (U.S.), Inc. (CRU). The purchase changes ownership of PRI from the Central Electric Generating Board Exploration (America), Inc. to CRU. CRU is a wholly-owned subsidiary of Cameo Corporation, a Canadian corporation. Cameo Corporation is one of the largest producers of uranium in the world. The purchase of PRI was intended to provide Cameo Corporation with experience in the operation of in situ leach facilities. The provisions of 10 CFR 40.46, "Inalienability of Licensees," require that NRC give its consent to any transfer of control of a license or change in licensee.

#### Staff Guidance on License Termination for Conventional Uranium Mills

The Uranium Recovery Branch, Division of Waste Management, has completed development of a staff guidance document addressing the license termination process for conventional uranium mill licensees. The Atomic Energy Act of 1954, as amended, provides the statutory requirements for the transfer of the title and custody to byproduct material and any land used for the disposal of such byproduct material from a uranium mill licensee to either Federal or State control, prior to termination of the licensee's specific license. These requirements are codified in 10 CFR 40.28, which, along with pertinent requirements in Appendix A to 10 CFR Part 40, provide for the completion of certain licensing actions prior to the transfer of the land and byproduct material to the United States or the appropriate State for long-term care.

The purpose of the guidance document is to provide the staff with specific direction to be applied in the course of the license termination process for Uranium Mill Tailings Radiation Control Act of 1978 (UMTRCA) Title II sites. On November 27, 1996, this document was transmitted to uranium recovery licensees, uranium recovery industry organizations, and affected Federal and State agencies. Comments received from these organizations will be considered in future revisions to the document.

#### NRC/DOE Technical Meeting on the Exploratory Studies Facility

On December 16, 1996, Division of Waste Management (DWM) staff met with representatives of the Department of Energy (DOE) and its contractors to discuss items of mutual interest regarding progress in the excavation of the Exploratory Studies Facility (ESF) and technical issues related to geologic repository design. Representatives from the State of Nevada, Nye county, Nevada, the U.S. Geological Survey, the U.S. Nuclear Waste Technical Review Board, and the Center for Nuclear Waste Regulatory Analyses (CNWRA) were also in attendance. The items discussed were: the status of ESF construction, an update on the status of scientific studies including alcove testing, and some background on the proposed changes to the outline of the

geologic repository. During the presentations, DOE noted that the revised scheduled date for "daylighting" the tunnel boring machine at the south portal is March 1997.

DOE also presented: (1) a preliminary geologic description of the Ghost Dance fault located in Test Alcove 6; (2) some preliminary findings from the large-block heater tests; and (3) preliminary results of its analyses of chlorine-36 found in the ESF. DOE also discussed its plans and activities for revising and finalizing those aspects of the geologic repository design necessary to support the 1998 Viability Assessment and the 2002 License Application. DOE noted that in FY97 it plans to prepare about 174 engineering analyses, specifications, and drawings to support its revised repository design.

#### Meeting with DOE's Regulatory Unit - Richland, Washington

A meeting was held December 16-18, 1996, in Richland, Washington, between representatives of the Division of Fuel Cycle Safety and Safeguards (FCSS) and the Department of Energy's (DOE's) Regulatory Unit (RU) for the Tank Waste Remediation System (TWRS). The discussion focused on the development of regulatory programs. The RU currently is developing a policy to be provided to the TWRS contractors which will define the required openness for this project. FCSS staff provided background on NRC openness policy and described the current NRC/licensee interaction and NRC handling of proprietary materials. A meeting for the week of January 13 is planned to jointly provide an orientation and training session for NRC and RU employees.

#### Meeting Sponsored by the American Institute for Taiwan (AIT)

On December 17, 1996, the Spent Fuel Project Office (SFPO) staff participated in a meeting, held by the American Institute for Taiwan (AIT) in Washington, D.C., to discuss the return of research reactor fuel from Taiwan. SFPO staff provided a description of NRC's requirements for physical protection of spent reactor fuel in transit, and of SFPO's process for issuing domestic spent fuel route approvals. The representatives from Taiwan indicated that the fuel would be sent to the Department of Energy's Savannah River Plant. Shipments are not anticipated until next Fall.

#### Meeting with the Department of Transportation and Oak Ridge National Laboratory

On December 20, 1996, staff from the Spent Fuel Project Office met with representatives from the Department of Transportation (DOT), Oak Ridge National Laboratory (ORNL), and Science Applications International Corporation, to discuss a jointly-funded NRC and DOT contract. The contract is to develop guidance for shipment of low-specific activity (LSA) material and surface contaminated objects (SCOs). On April 1, 1996, revisions to NRC and DOT regulations changed the regulatory framework under which LSA material and SCOs are shipped. Guidance has been requested by industry on several occasions. NRC and DOT intend to jointly issue the guidance to industry in the Summer of 1997.

#### Confirmatory Order Issued to Babcock & Wilcox, Naval Nuclear Fuels Division

On December 13, 1996, a Confirmatory Order, modifying the Babcock and Wilcox Company (B&W) license, was issued by the Office of Nuclear Material Safety and Safeguards (NMSS) to confirm B&W's commitment not to ship radioactive materials containing mixtures of beryllium (Be) and highly enriched uranium (U). B&W identified to the Spent Fuel Project Office (SFPO) on September 20, 1996, that the regulations contained in 10 CFR 71.53, "Fissile Exempt Materials," did not provide adequate protection, in that shipments of Be-U materials made in

accordance with the regulation would not be safe in all circumstances with respect to the subcriticality of the material. In response to this issue, the SFPO initiated expedited rulemaking and issued Confirmatory Action Letter (CAL) NMSS 96-02 to B&W on October 10, 1996, confirming B&W's commitment not to ship Be-U materials without specific, prior Nuclear Regulatory Commission approval. The Agency subsequently determined that pending completion of the rulemaking, the potential safety significance of the issue required that public health and safety be protected by issuance of an Order confirming B&W's commitment. CAL NMSS 96-02 was rescinded in conjunction with the issuance of the Order.

DECEMBER 27, 1996  
ENCLOSURE B

Office for Analysis and Evaluation of Operational Data  
Items of Interest  
Week Ending December 27, 1996

Preliminary Notifications (PNs)

- a. PNO-I-96-091A, New York Power Authority (Indian Point 3), WORKER FATALITY AT INDIAN POINT UNIT 3 (UPDATE)
- b. PNO-I-96-093, Niagara Mohawk Power Corp. (Nine Mile Point 2), PLANT SHUTDOWN DUE TO MISSED TECHNICAL SPECIFICATIONS SURVEILLANCE
- c. PNO-I-96-094, Amersham, IRIIDIUM-192 RADIOGRAPHY SOURCE IN ALGERIA UNABLE TO BE TRACED
- d. PNO-I-96-095, Department of Health and Human Services (NIH), FIRE IN POSTED RADIOACTIVE LABORATORY
- e. PNO-I-96-096, Massachusetts Institute of Technology, PERSONNEL ISSUE INVOLVING SITE EMPLOYEE
- f. PNO-I-96-097, Edgewater Manor Apartments, TRITIUM EXIT SIGNS STOLEN FROM APARTMENT COMPLEX
- g. PNO-IV-96-063A, Entergy Operations, Inc. (Arkansas Nuclear 1), RESUMPTION OF DRY CASK LOADING ACTIVITIES - UPDATE
- h. PNO-IV-96-069, Syncor International Corporation, SYNCOR RADIOPHARMACY CONTAMINATED SHIPPING CONTAINER
- i. PNO-IV-06-070, Department of the Air Force (Newark Air Force Base), MAGNESIUM-THORIUM ALLOY INADVERTENTLY SOLD TO SCRAP YARD
- j. PNO-IV-96-071, Department of Veterans Affairs (VA Medical Center), SODIUM IODINE I-131 MISADMINISTRATION
- k. PNO-IV-96-072, B. J. Services Company, U.S.A., MISSING NUCLEAR GAUGE CONTAINING CESIUM-137

Office of Administration  
Items of Interest  
Week Ending December 27, 1996

Protests of Award

On December 18, 1996, Telestar Corporation filed an agency protest under the NRC's Solicitation No. RS-IRM-96-177 entitled, "Acquisition of Microcomputer Hardware and Software, Laser Printers, and Microcomputer Support Services (PC REFRESH)." Telestar alleged that NRC's evaluation was improper and that NRC failed to conduct meaningful discussions. Telestar was debriefed by the NRC on December 23, 1996. On December 27, 1996, the NRC Contracting Officer denied the protest. On December 27, 1996, Telestar filed a protest with the General Accounting Office (GAO) citing the same allegations. The Division of Contracts is assisting OGC in preparing NRC's response.

On December 23, 1996, Dynamic Decisions, Inc. (DDI) also filed an agency protest under the NRC's PC Refresh procurement. DDI alleges that NRC improperly evaluated its proposal. DDI was debriefed by the NRC on December 24, 1996. On December 30, 1996, DDI withdrew their protest.

Proposed Rule

Division of Security has published a proposed rule that amends 10 CFR Parts 25 and 95, "Access to and Protection of Classified Information." The amendments update the Parts with requirements from new national security policies (e.g., National Industrial Security Program Operation Manual, E.O. 12958 and E.O. 12968). DOE provided comments on the proposed changes that will be discussed with DOE Safeguards and Security personnel at a meeting scheduled for December 30, 1996.

Day Care Center

Improvements to the day care center's outside playground were completed December 24, 1996. The additions included a new infant deck, shade trellis, shed for storing outdoor equipment, benches, and a rubberized surface on some concrete walkways.

Significant FOIA Requests Received during the 4-Day Period of December 20 - December 26, 1996:

Records related to Docket No. 40-8968 on Hydro Resources Inc. (S.Jordan; New Mexico Environmental Law Center; FOIA/PA-96-527)

Copy of SECY-89-004. (O.Williams; J/R/A Associates; FOIA/PA-96-528)

Records related to Building C of the Gulf Oil Co.'s Cleveland, Ohio site. (R. Babcock; The Travelers; FOIA/PA-96-529)

Records related to the Middlesex Sampling Plant and the Middlesex Municipal Landfill in Middlesex, NJ. (Individual; FOIA/PA-96-530)

Records related to a 9/24/96 pressurized steam pipe rupture at Duke Power Co.'s Oconee Power Plant. (D.Moorhead, Attorney; FOIA/PA-96-531)

DECEMBER 27, 1996  
ENCLOSURE F

Office of Public Affairs  
Items of Interest  
Week Ending December 27, 1996

Press Releases

Headquarters:

- 96-189            NRC Seeks Qualified Candidates for Advisory Committee on Nuclear Waste
- 96-190            NRC Considering Request From Massachusetts for 'Agreement' State Status

Regions:

- I-96-84            Hope Creek Nuclear Power Plant Received "Good" Ratings in NRC's Latest Systematic Assessment of Licensee Performance Report
- II-96-105          NRC Staff Proposes \$100,000 in Fines Against TVA at Sequoyah
- III-96-75          NRC Staff Proposes \$5,000 Fine Against Cleveland Clinic for Violations of NRC Safety Requirements
- III-96-76          NRC Staff Issues Report of Independent Safety Inspection at Dresden Nuclear Power Station
- IV-96-63          NRC Proposes to Fine Waterford \$50,000 for Design Error



Region I  
Items of Interest  
Week Ending December 27, 1996

Predecisional Enforcement Conference with Pennsylvania State University

On December 20, 1996, a predecisional enforcement conference was held with The Pennsylvania State University (PSU) at the NRC Region I Office, King of Prussia, Pennsylvania. The licensee presented the facts associated with the apparent violations, concerning security of radioactive materials identified in a November 18-20, 1996 inspection, their interpretation of those facts, their corrective actions to date and their plans for future corrective actions. The NRC will consider the information presented to determine what enforcement action to take.

DECEMBER 27, 1996  
ENCLOSURE P

Region III  
Items of Interest  
Week Ending December 27, 1996

LaSalle and Zion Nuclear Power Stations

On December 23, 1996, Region III Regional Administrator A. Bill Beach and members of the Region III staff met with ComEd Chief Nuclear Operating Officer Harold Keiser, ComEd Senior Vice President for Nuclear Operations Thomas Maiman, and members of the ComEd staff to discuss the findings of ComEd's Independent Self Assessment (ISA) Team at LaSalle and Zion Nuclear Power Stations. ISA Team members presented the team's findings in the areas of Engineering, Operations, Organization and Management. Among the items noted by the ISA were: a short term focus in Engineering; instances of unauthorized design changes; concerns with configuration management and the understanding design and licensing requirements; ineffective work management; and ineffective training.

Following the ISA presentation, ComEd delineated plans for improvement that included keeping both LaSalle units shut down until the ability to operate properly had been sufficiently demonstrated.

Advanced Medical Systems, Inc. - Cleveland, Ohio

On December 27, 1996, the Northeast Ohio Regional Sewer District announced it had reached a settlement with Advanced Medical Systems, Inc., (AMS) in its lawsuit resulting from the discovery in 1991 of cobalt-60 contamination in sewage sludge ash at the sewer district's Southerly Wastewater Treatment Plant. In 1994 the sewer district had terminated sewer service for the AMS facility in Cleveland. The sewer district brought the lawsuit to recover the costs associated with the containment and control of the sludge ash ponds at the treatment plant. Under the terms of the settlement, AMS and associated businesses will pay \$1.25 million to the sewer district. The lawsuit in U.S. District Court has been dismissed with no admission of liability of any party.

The settlement agreement establishes conditions to be met by AMS before it may be reconnected to the sewer system. AMS is also permitted to discharge about 100,000 gallons of water stored at its facility if the water contains less than 100 picocuries per liter of only soluble cobalt-60.