

# INFORMATION REPORT

March 13, 2003

SECY-03-0039

For: The Commissioners  
From: John W. Craig, Assistant for Operations, Office of the EDO  
Subject: SECY-03-0039 WEEKLY INFORMATION REPORT - WEEK  
ENDING MARCH 7, 2003

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\*No input this week.

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Office of Nuclear Reactor Regulation  
Items of Interest  
Week Ending March 7, 2003

Catawba Nuclear Station, Units 1 and 2, and the McGuire Nuclear Station, Units 1 and 2

On February 27, 2003, Duke Power (the licensee) submitted an application for amendment of the Facility Operating Licenses for the Catawba Nuclear Station, Units 1 and 2, and the McGuire Nuclear Station, Units 1 and 2. The amendments would, if granted, allow the use of several mixed oxide (MOX) lead test fuel assemblies in one of the McGuire or Catawba units. The applications included requests for Exemptions from the Commission's regulations related to the use of M5 fuel rod cladding and the regulations in 10 CFR 50.46 and Appendix K as they apply to the use of fuel with uranium oxide pellets. The application also relies on several Topical Reports that have been submitted by the licensee that remain under continuing review by NRC staff.

The licensee stated: "This license amendment request is being made as part of the ongoing United States-Russian Federation plutonium disposition program. The goal of this nuclear non-proliferation program is to dispose of surplus plutonium from nuclear weapons by converting the material into MOX fuel and using that fuel in nuclear reactors."

Meeting with Diablo Canyon Unit 2 To Discuss Steam Generator Tube Inspection Findings

On March 4, 2003, the staff met with Pacific Gas & Electric (PG&E), the licensee for Diablo Canyon Power Plant Unit 2, to discuss recent steam generator tube inspection findings. In addition, PG&E presented their Unit 1 operability determination which was performed due to the potential generic implications from issues identified at Unit 2.

Findings involved the axial flaws at the tube-to-tube support plate intersection (which grew faster than anticipated) and circumferential cracking in outer row U-bends (which was unexpected based on Diablo Canyon Unit 2 and industry operating experience). The licensee indicated that NRC approval of a request dated March 3, 2003, would permit the restart and operation of Unit 2 for approximately 120 days. The licensee plans to submit a second license amendment request to the NRC which would request a modification to the methodology the licensee is required to use in their analysis to determine the appropriate length of operation before the next steam generator inspection.

Vendor Information Forum of the Nuclear Information and Records Management Association

On February 27, 2003, Division of Inspection Program Management (DIPM) staff made a presentation to the Vendor Information Forum sponsored by the Vendor Equipment Technical Information Committee of Nuclear Information and Records Management Association. The presentation covered applicable NRC regulations and expectations in the areas of licensee-vendor interface and industry operating experience information (including 10 CFR Part 21, 10 CFR 50.65, 10 CFR Part 50, Appendix B, GL 83-28, Section 2.2, Part 2, and GL 90-03) and our insights and perspectives in these areas based on our inspection experience. A question-and-answer period followed the presentation.

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ENCLOSURE A

### End-of-Cycle Summary Meetings

During the week of March 3, 2003, NRR completed the End-of-Cycle (EOC) Summary meetings with the individual regional offices. Individual meetings were held due to inclement weather causing the cancellation of the EOC Summary meeting scheduled in February. The results of the EOC reviews were communicated for all plants through the issuance of the annual assessment letters on March 5, 2003. The Agency Action Review Meeting will be held on April 22-23, 2003 in Annapolis, MD.

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ENCLOSURE A

Office of Nuclear Material Safety and Safeguards  
Items of Interest  
Week Ending March 7, 2003

Meeting with the Department of Energy

On March 6, 2003, staff from the Division of Fuel Cycle Safety and Safeguards met with staff from the Department of Energy (DOE), in a closed meeting, to discuss regulatory oversight issues related to the U.S. Enrichment Corporation's (USEC's) gas centrifuge uranium enrichment test and demonstration facility (Lead Cascade) to be housed in an existing DOE building at the Portsmouth Gaseous Diffusion Plant site in Piketon, Ohio. USEC submitted its license application for the Lead Cascade facility to NRC on February 12, 2003. At the meeting, DOE and NRC staff proposed to jointly develop, by October 2003, a memorandum of understanding that would delineate each Agency's roles and responsibilities concerning regulatory oversight of USEC's activities conducted during the centrifuge disassembly/assembly and operational phases of the Lead Cascade.

Direct Final Rule

On March 5, 2003, the direct final rule on source material reporting under international agreements was published (DFR 68 FR 10362; proposed rule 68 FR 10410). The rule would require 10 CFR Parts 40 and 150 licensees to report the receipt or transfer of source material with foreign obligations (uranium or thorium controlled under the various international Agreements for Peaceful Nuclear Cooperation). The current regulations require the reporting of foreign-origin source material. The rule would also permit a licensee to submit its annual source material inventory statement at the same time as the material status reports for special nuclear material. The rule would become effective on October 1, 2003, if no significant adverse comments are received by the end of the comment period on April 4, 2003.

NRC/DOE Technical Exchange on Performance Confirmation

On February 26, 2003, staff from the Office of Nuclear Material Safety and Safeguards and the Center for Nuclear Waste Regulatory Analyses (the Center) met with DOE staff to discuss DOE's high-level strategy to develop its Performance Confirmation Plan. This was the first of an expected series of meetings related to performance confirmation. The meeting was a two-way video conference hosted at DOE's office in Las Vegas, Nevada, and connected with NRC Headquarters. Also, Center staff participated via teleconferencing. Various stakeholders, including representatives from the State of Nevada, Lincoln County, and other affected parties, participated at the DOE meeting location. In addition, representatives from the Nuclear Waste Technical Review Board and NRC's Advisory Committee on Nuclear Waste were there.

Presentations included: (1) defining performance confirmation; (2) decision analysis process used to develop the performance confirmation program - phase 1; (3) decision analysis process used to develop the performance confirmation program - phase 2; and (4) path forward and documentation. A follow-up meeting is planned for later in the year, after NRC staff has reviewed Revision 2 of DOE's Performance Confirmation Plan, scheduled to be released in late May 2003.

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ENCLOSURE B

### Attendance at DOE Igneous Activity Peer Review Meeting

On February 26, 2003, staff from NRC and the Center observed the DOE sponsored "Peer Review on the Consequences of Igneous Activity," regarding a potential repository at Yucca Mountain, Nevada. Members from the State of Nevada, the affected units of local government, representatives of the Nuclear Waste Technical Review Board, the U.S. Geologic Survey, and other interested parties also attended. The Peer Review Panel has completed its review of the DOE program, regarding igneous activity, with emphasis on the consequences of possible igneous activity on a potential repository at Yucca Mountain, Nevada. The purpose of this meeting was to discuss the results of the panel's review.

The panel's report provides DOE with recommendations on additional field work, laboratory investigations, and modeling exercises that the panel members believe should be conducted to resolve concerns related to igneous activity, specifically those concerns discussed in Igneous Activity Agreement Items related to magma interactions with the repository, waste package, and waste form. In addition, the panel provided comments and suggestions on work to help resolve the concerns related to volcanic ash redistribution and the probability of igneous activity. After final editing, the report will be available on the Yucca Mountain web site ([www.ymp.gov](http://www.ymp.gov)).

Based on the results of the interim report, issued in September 2002, DOE has started addressing the panel's suggestions, and interactions are planned with NRC staff to discuss a path forward to close the remaining open items in the area of Igneous Activity. DOE is reviewing the report and will prepare a report in the late April 2003 time frame detailing how it plans to address the panel's comments.

### IAEA Technical Meeting, "Waste Safety Standards—Stakeholder Dialogue"

During the week of February 24-27, Division of Waste Management (DWM) staff represented NRC and the U.S. at a Technical Meeting of the International Atomic Energy Agency (IAEA) devoted to consideration of increasing stakeholder involvement in developing IAEA safety standards for radioactive waste. The meeting was convened to respond to a request from the IAEA Board of Governors to develop a stepwise program of work aimed at addressing the broader societal dimensions of radioactive waste management. Assembled were experts from various stakeholder perspectives, including regulators, developers, electric utilities, non-governmental organizations, municipal government, citizen organizations, and sociologists, to consider the need for such a program and to make proposals. DWM staff outlined NRC's experience of, and lessons learned, from expanding stakeholder interactions when developing its 10 CFR Part 63 regulations for Yucca Mountain. In addition, staff discussed the team approach used by NRC's High-level Waste public outreach program. NRC staff also encouraged the group to recommend that IAEA proceed slowly and deliberately as it considers possible strategies for broadening stakeholder access and involvement in its standard-setting process. As a possible first step, staff also identified the need for IAEA to develop simple, accessible, plain language information on IAEA, its role in establishing safety standards, and the value of broader societal input for developing such international standards.

### Staff Participates in Waste Management '03 Conference

During the week of February 24, 2003, staff from the Office of Nuclear Material Safety and Safeguards (NMSS) participated in the annual Waste Management '03 conference in Tucson, Arizona. Included in this participation were the following: panel discussions on entombment and the status of low-level waste disposal in the U.S.; co-chairing of sessions on clearance, regulating low-dose materials, and decommissioning; and presentation of papers on the status of NRC's decommissioning and clearance activities, the NMSS risk-informing process, the high-level waste public outreach activities, and the use of conservative assumptions and the impact of such assumptions on identifying the relative importance of different barriers in repository system performance assessments.

### Staff Meeting with Sweden's Committee on Non-Nuclear Radioactive Waste

On February 28, 2003, staff from DWM met with representatives from Sweden's Committee on Non-Nuclear Radioactive Waste. In this context, non-nuclear means radioactive waste not from nuclear reactors (e.g., materials facilities). The participants discussed the U.S. approach to low-level radioactive waste disposal and clearance. The discussion focused on NRC and Agreement State licensing of Atomic Energy Act material. NRC staff provided an overview of the U.S. regulatory infrastructure covering the different Federal agencies and Agreement States. The Swedish visitors were particularly interested in financial surety mechanisms and disposition options for radioactive materials and waste from non-reactor sectors.

Office of Nuclear Regulatory Research  
Items of Interest  
Week Ending March 7, 2003

Fuel Performance Code Available for Calculating Mixed-Oxide Behavior in Light Water Reactors

On February 26, 2003, Pacific Northwest National Laboratory (PNNL) delivered to the NRC a version of the FRAPCON fuel performance code that includes properties for calculating mixed-oxide (MOX) behavior in light water reactors. Independently, Duke Energy submitted an application to allow that corporation to place mixed-oxide fuel lead assemblies in one of the McGuire or Catawba nuclear reactors beginning in 2005.

MOX fuel is currently used in 35 European reactors to generate electricity. Applying the technology in the United States is a key element of the international program to dispose of surplus plutonium from nuclear weapons.

The modifications to FRAPCON (designated Version 3.2) included the addition of a new fuel thermal conductivity model, modification to the fission gas release model, plutonium isotope input modifications that allow the code to calculate MOX radial power distribution, and provision for different xenon and krypton fission gas production.

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Nuclear Security and Incident Response  
Items of Interest  
Week Ending March 7, 2003

National Response Team

The Director of the Division of Incident Response Operations represented the Nuclear Regulatory Commission at the National Response Team/Regional Response Team combined meeting in Albuquerque, NM on March 3 - 6, 2003. Items of interest included recent changes at the Department of Homeland Security, the new Homeland Security Presidential Directive (HSPD-5), and the discussion of response actions to various events, including a radiological dispersal device event.

Preliminary Notifications

1. PNO-IV-03-015, Columbia Generating Station - TECHNICAL SPECIFICATION REQUIRED SHUTDOWN TO EXCEED 72-HOURS.
2. PNO-II-03-002, TMP Worldwide - TRAFFIC ACCIDENT INVOLVING VEHICLE CARRYING RADIOGRAPHY SOURCE.

Office of Administration  
Items of Interest  
Week Ending March 7, 2003

Source Material Reporting Under International Agreements (Parts 40 and 150)

A direct final rule amending the regulations that require licensees to report their holdings of source material to the NRC was published in the Federal Register on March 5, 2003 (68 FR 10362). The amended regulations require licensees to report the receipt or transfer of source material controlled under any of the various international Agreements for Peaceful Nuclear Cooperation. This amendment will enable the U.S. Government to maintain the comprehensive national inventory of nuclear material required under these agreements. The direct final rule becomes effective October 1, 2003.

The companion proposed rule for this action was published in the Federal Register on March 5, 2003 (68 FR 10410). The comment period closes April 4, 2003.

Contract Awards

A firm fixed-price/indefinite quantity contract no. NRC-10-03-143 was awarded to Government Movers, Inc. of Hyattsville, MD on February 28, 2003 for labor and moving services under the Small Business Administration's (SBA) 8(a) program. The period of performance is one year with four one year options and the contract value is \$919,000, inclusive of the options. The contract Statement of Work (SOW) was written as a performance based SOW. The contract utilized streamlined procedures authorized under the NRC's partnership agreement with SBA.

As a result of a full and open competition, a cost reimbursement contract no. NRC-04-03-061 entitled "Integrated Ground-Water Monitoring Strategy" was awarded to Advanced Environmental Solutions of Aiken, SC on February 24, 2003. The purpose of the contract is to develop an integrated and systematic strategy for monitoring ground-water flow and transport through the unsaturated zone to the underlying water-table aquifer that will confirm nuclear waste and decommissioning site performance. The period of performance is 39 months and the contract amount is \$1,561,255.

Office of Human Resources  
Items of Interest  
Week Ending March 7, 2003

<b>Retirements</b>		
ALLISON, Dennis	SR. REACTOR SYSTEMS ENGINEER	NRR
CERNE, Antone	SR. RESIDENT INSPECTOR	RI
<b>Departures</b>		
ADDISON, Reginald	MAIL CLERK	ADM
BROCKMAN, Kenneth	DIVISION DIRECTOR	RIV
BURKHART, Lawrence	SR. PROJECT MANAGER	NRR
FEWELL, J. Bradley	REGIONAL ATTORNEY	RI
HOLLEY, Teresa	SECRETARY	RIV

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ENCLOSURE I

Office of Public Affairs  
Items of Interest  
Week Ending March 7, 2003

Media Interest

Press attention focused on the anniversary of the discovery of Davis-Besse's corrosion damage, Indian Point and the final Witt report, spent fuel pool vulnerability and NRC's revision of the design basis threat.

The Los Angeles Times and New York Times each featured articles about decommissioning, citing San Onofre, and the issues surrounding disposal of nuclear waste. A report on radioactivity in 22 California landfills received wide play in that state, while many papers reported on the Paducah strike entering its second month.

OPA has noticed increased press interest in clearance and decommissioning, as well as continued strong interest in security issues.

<b>Press Releases</b>	
<b>Headquarters:</b>	
03-026	NRC Issues Annual Assessments for Nation's Nuclear Plants
<b>Regions:</b>	
I-03-009	NRC Bars Former New Jersey Company Employees from Supervision of NRC-Licensed Activities
III-03-007	NRC Oversight Panel to Hold Two Meetings on Davis-Besse Reactor

Office of the Secretary  
Items of Interest  
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Document Released to Public	Date	Subject
<b>Decision Documents</b>		
1. SECY-03-0009	1/24/03	Denial of Petition for Rulemaking (PRM-63-1) - The State of Nevada
SRM on 03-0009	2/19/03	(same)
Commission Voting Record on 03-0009	2/19/03	(same)
2. SECY-03-0028	2/24/03	Proposed Licenses to Export Nuclear Grade Graphite to Canada and Other Countries for Non-Nuclear End Use (XMAT0403 and XMAT0404, Respectively)
SRM on 03-0028	3/4/03	(same)
Commission Voting Record on 03-0028	3/4/03	(same)
3. SECY-03-0022	2/14/03	Proposed Export of Depleted Uranium to Japan (XSOU8790)
SRM on 03-0022	2/19/03	(same)
Commission Voting Record on 03-0022	2/19/03	(same)
4. SECY-02-0221	12/20/02	Final Rule to Standardize the Process for Allowing a Licensee to Release Part of its Reactor Facility or Site for Unrestricted Use Before NRC has Approved its License Termination Plan
SRM on SECY-02-0221	3/7/03	(same)
Commission Voting Record on 02-0221	3/7/03	(same)
<b>Information Papers</b>		
1. SECY-03-0023	2/13/03	NRC Plans to Participate in the OECD Halden Reactor Project During 2003-2005

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2.	SECY-03-0005	1/8/03	Semiannual Update of the Status of New Reactor Licensing Activities
3.	SECY-03-0029	2/27/03	SECY-03-0029 Weekly Information Report - Week Ending February 21, 2003
4.	SECY-03-0032	3/6/03	SECY-03-0032 Weekly Information Report - Week Ending February 28, 2003

Commission Correspondence

1. Letter to Mr. Joseph R. Egan, Egan & Associates, PLLC, dated February 21, 2003, responds to the petition for rulemaking dated July 12, 2002, submitted on behalf of the State of Nevada.

Federal Register Notices Issued

1. 140<sup>th</sup> Meeting of the Advisory Committee on Nuclear Waste," Notice of Meeting.

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Region I  
Items of Interest  
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Indian Point - Congressional Forum - March 3, 2003

The Region I Deputy Director, Division of Reactor Projects, participated in a Congressional Forum at Marymount College in Westchester County, NY on March 3, 2003. Congresswoman Nita Lowey (NY) and Congressman Eliot Engel (NY) hosted the forum to gather information on emergency planning and security issues related to the Indian Point site. Both representatives have stated that the plants should be shut down, and have called for further Congressional hearings. Several panels provided testimony and answered questions. The first panel included Richard Blumenthal, Attorney General, State of Connecticut; Richard Brodsky, New York State Assemblyman; Andrew Spano, Westchester County Executive; and Michael Kaplowitz, Westchester County Board of Legislators. A community panel included representatives from the local school district, utility workers, and Riverkeeper. The Federal Agency panel included representatives from the Federal Emergency Management Agency, NRC, and New York State. A representative from the Nuclear Control Institute, an Indian Point 3 Security Guard, and other community members also offered testimony.

Visit by Millstone Station Managers

On March 6, 2003, senior managers, led by Alan Price, Site Vice President, visited the Region I Regional Administrator to introduce various new or newly assigned key managers of Millstone Station.

Region II  
Items of Interest  
Week Ending MARCH 7, 2003

Carolina Power and Light Company - Shearon Harris Emergency Exercise

On March 3-6, 2003, the Regional State Liaison Officer participated as a member of the Federal Emergency Management Agency Regional Assistance Committee in the evaluation of the full scale Shearon Harris emergency exercise. The exercise involved the licensee and officials of the State of North Carolina and the applicable local governments. There was some media interest from the Raleigh News & Observer.

Emergency Response Date System (ERDS) Operator Training

On March 4-6, 2003, representatives from the Office of Nuclear Security and Incident Response, Division of Incident Response Operators and Scientech, Inc., conducted training on the Emergency Response Date System (ERDS). The training was part of the process to keep ERDS operators and users abreast of how to use the system.

Region II Secretaries Counterpart Meeting

On March 5, 2003, the Region II hosted a "Secretaries on Target" Counterpart Meeting. The meeting is part of a regional initiative to increase communication and provide a forum for professional development for the administrative secretaries. The Regional Administrator and Deputy Regional administrator provided insights on the challenges facing secretaries and the Regional Office in today's environment.

Westinghouse Fuel Fabrication Plant - Emergency Exercise

On March 4, 2003, Westinghouse Columbia fuel fabrication facility conducted an emergency exercise that involved State and local law enforcement agencies in addition to offsite fire and medical support agencies. The exercise involved the integration of emergency response, security response, and extensive coordination with offsite agencies in response to a potential hostage scenario. There was significant media interest, including a helicopter and film crew.

TMP Worldwide - Traffic Accident in West Virginia

On March 5, 2003, a vehicle containing a radiography camera with several curies of iridium 192 was involved in a traffic accident near Parkersburg, West Virginia. The vehicle was transporting the camera under the authority of an NRC license issued to TMP Worldwide, Cheswick, Pennsylvania. Representatives from the State of West Virginia responded to the event and followed up with surveys to determine that the camera was not damaged during the accident. Regional and Headquarters representatives coordinated with the State of West Virginia and licensee officials to aid in the response.

Region IV  
Items of Interest  
Week Ending MARCH 7, 2003

STP 1 Trip and Recovery

Operators manually tripped the reactor from 100 percent at 1:54 a.m. on Saturday, March 1. The failure of a power supply had caused the closure of condensate polishing system valves and prevented the bypass valve from opening. All systems responded normally following the trip. The SRI responded to the site. The licensee replaced the power supply and started up late on March 2. The licensee has initiated another review of potential single point failures with emphasis on the secondary system.

Fort Calhoun Public Meeting in Region IV

On March 5, 2003, Fort Calhoun management visited the Region IV office to discuss general plant issues. The issues discussed included 2002 plant performance, long-term planning by both the Omaha Public Power District and the Fort Calhoun Station, strategic initiatives (steam generator replacement and reactor vessel head replacement), and other current issues.

Columbia Shutdown

On February 27, 2003, at 5:30 p.m. (PST), Energy Northwest shut down Columbia Generating Station from 100 percent power. The shutdown was required by Technical Specification 3.8.1.F for an inoperable emergency diesel generator (12 hours to Mode 3 and 36 hours to Mode 4). Enforcement discretion had been granted on February 16, 2003. The licensee had completed repairs to the emergency diesel and performed the 24-hour run. During the run the licensee noted increasing vibrations (small) that were not fully understood, associated with the bearings that were replaced. The licensee determined that further testing and diagnosis was needed to support an operability decision. This additional testing and diagnosis could not be completed prior to the additional time allowed by the Notice of Enforcement Discretion. As a result, a plant shutdown was commenced. The plant remains shutdown and will be shutdown for greater than 72 hours.