December 17, 1999

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands,
Private Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year 2000 Energy and Water Development Appropriations Act, Senate Report 106-58 and House Report 106-253, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. As further directed in House Report 106-253, we have expanded the monthly report to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to harmonize NRC security regulations with Part 50. I am pleased to transmit the twelfth report, which covers the month of November (Enclosure 1).

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Sincerely,

/s/ Richard A. Meserve

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2. Tasking Memorandum

cc: Senator Bob Graham

December 17, 1999

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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cc: Representative Rick Boucher

December 17, 1999

The Honorable Ron Packard, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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cc: Representative Peter J. Visclosky

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Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

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Washington, D.C. 20510

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MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

November 1999

Enclosure 1

TABLE OF CONTENTS

II. Implementing Risk-Informed Regulations

The staff continues to make progress on tasks in five general areas: Rulemaking and Generic Communications; Licensing Activities; Reactor Oversight (Inspection, Enforcement and Licensee Performance Assessment); Events Assessment; and Probabilistic Risk Analysis (PRA) Methods and Standards. A noteworthy accomplishment in the area of Rulemaking and Generic Communications is summarized below:

Rulemaking - Guidance for 10 CFR 50.65 (a)(4) (as amended at 64 FR 38551, July 19, 1999)

The NRC staff has developed a draft regulatory guide for the recent revision to the "Maintenance Rule" (10 CFR 50.65(a)(4)). The Commission directed the staff, by Staff Requirements Memorandum (SRM) dated May 13, 1999, to seek review of its draft regulatory guide DG-1082, "Assessing and Managing Risk Before Maintenance Activities at Nuclear Power Plants," by the Committee for Review of Generic Requirements (CRGR) and the Advisory Committee for Reactor Safeguards (ACRS). The SRM also directed the staff to work with stakeholders in a collaborative fashion to produce a final regulatory guide for Commission approval. Both CRGR and ACRS made recommendations and approved the issuance of the guide for public comment. The recommendations were incorporated in the draft guide, and the staff is continuing to work with stakeholders to produce the final guide.

The draft regulatory guide addresses an industry guidance document, Section II of NUMARC 93-01, "Industry Guidance for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," prepared by the Nuclear Energy Institute(NEI). The staff held several public meetings with representatives from the industry and NEI, and discussed the industry guidance document. The staff believes that with appropriate modifications to the industry guidance document, it will be able to endorse the industry guidance. As a result of this dialogue the staff reached agreement with NEI and industry representatives that the final draft of the NEI document will meet the staff expectations as presented in DG-1082. The staff provided a briefing on the status of the effort to the Commission on November 10, 1999, and issued the draft guide DG-1082 for public comment. Following the public comment period, the staff expects to resolve any issues that arise from the public comments and prepare a final regulatory guidance document for Commission review and approval.

II. Revised Reactor Oversight Process

The staff has continued to meet on a biweekly basis with NEI and other stakeholders to refine the proposed changes to its oversight processes. Recent activities include the following:

- The Office of Nuclear Reactor Regulation (NRR) staff is monitoring implementation and reviewing results of the Revised Reactor Oversight Process pilot program. The staff conducted a video conference with NRC regional senior managers to discuss the status of supplemental procedures. These procedures are implemented when the NRC's baseline inspection program identifies risk-significant inspection findings or Performance Indicators indicate declining performance trends. The NRC staff recently attended an industry-sponsored Performance Indicator workshop in Orlando, Fl.

- NRR managers and members of the Inspection Program Branch are continuing to interface with NRC staff and stakeholders to discuss the Revised Reactor Oversight Process, answer questions, and obtain feedback. The NRC staff participated in the

periodic Regional Division of Reactor Projects Directors' counterpart meeting to discuss implementation issues with the oversight process pilot program, and other policy and program issues. This meeting provided valuable feedback and insights. The staff also conducted public meetings with pilot licensees in Regions I and II to discuss their insights on the process thus far.

- The Technical Training Center began conducting the Revised Reactor Oversight Process training for NRC inspectors on November 15, 1999. The training will be completed for all inspectors by the time full implementation of the revised oversight process commences in April 2000.

- The NRC's Pilot Program Evaluation Panel (PPEP) held its third meeting on November 16-17, 1999, in Rockville, MD, to hear comments on the new reactor oversight process from individuals representing states, industry, and public interest groups. The PPEP includes NRC staff from headquarters and regional offices, a representative of the Nuclear Energy Institute, and representatives from participating licensees, the Union of Concerned Scientists, and the Illinois Department of Nuclear Safety. The NRC established the PPEP to independently evaluate and review its revised reactor oversight process now being conducted as a pilot program at 13 nuclear reactors. The panel meets periodically to review data being supplied by NRC licensees on plant performance, as well as the results of NRC's baseline inspection, assessment and enforcement activities. At the end of the pilot program, which began June 1, 1999, the panel will prepare a written report representing the views of the panel members. The NRC will use the report to consider whether any changes to the new oversight program should be made before it is fully implemented next year.

III. Status of Issues in the Reactor Generic Issue Program

Changes in the status or resolution dates for Generic Safety Issues since the October 1999 report and the reasons for the changes are described below:

GSI Number: 23

Title: Reactor Coolant Pump (RCP) Failures

Status: This issue is closed and will no longer be tracked as a generic issue. No additional requirements were found to be necessary. Plant-specific backfits will be pursued based on the NRC's plant-by-plant risk analysis of the loss of component cooling water/essential service water systems. The staff will work with the industry to develop additional RCP seal models to support future risk-informed licensing decisions.

GSI Number: 172

Title: Multiple System Responses Program

Scheduled Resolution Date: 02/2002 (previously TBD)

Status: GSI-172 is being addressed in conjunction with the Individual Plant Examination (IPE) and the Individual Plant Examination of External Events (IPEEE) programs. The schedule that is being established for the resolution of this issue depends on completion of the IPE and IPEEE reviews.

IV. Licensing Actions and Other Licensing Tasks

Licensing actions may be defined as requests for: license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 2000 NRC Performance Plan incorporates three output measures related to licensing actions. These are: size of the licensing action inventory, number of licensing action completions per year, and age of the licensing action inventory.

Other licensing tasks may be defined as: licensee responses to NRC requests for information through generic letters or bulletins, NRC responses 2.206 petitions, NRC review of licensee topical reports, NRR responses to regional requests for assistance, and NRC review of licensee 10 CFR 50.59 analyses and FSAR updates. The FY 2000 NRC Performance Plan incorporates one output measures related to other licensing tasks. This is: number of other licensing tasks completed.

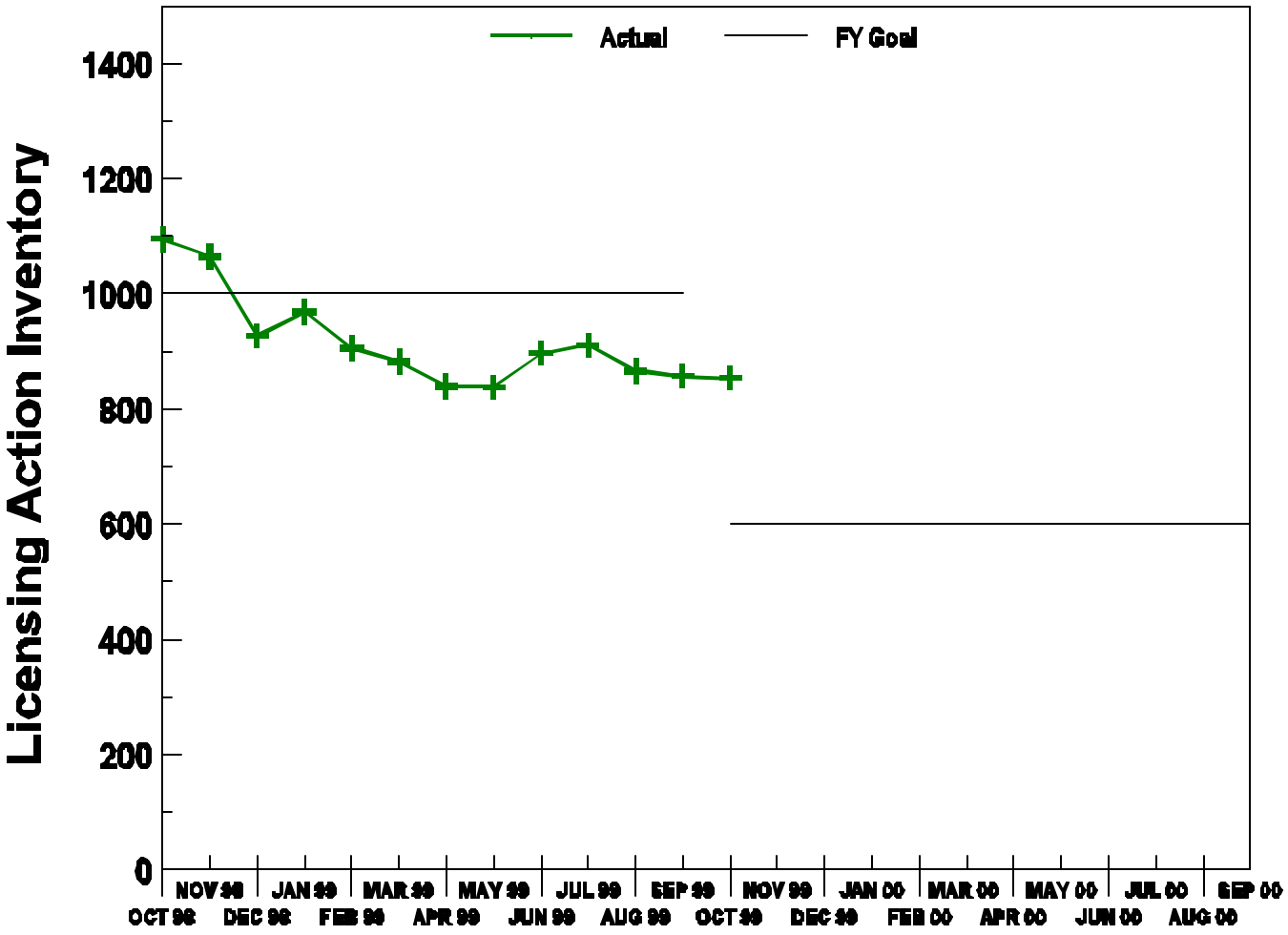
The actual FY 1998 and FY 1999 results, the FY 2000 goals and the actual FY 2000 results, through the end October 1999, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	**FY 1998 Actual**	**FY 1999 Actual**	**FY 2000 Goals**	**FY 2000 Actual (thru 10/31/99)**
Licensing actions completed/year	1425	1727	1500	117
Size of licensing actions inventory	1113	857	600	854
Age of licensing action inventory	65.6% # 1 year; 86.0% # 2 years; and 95.4% # 3 years old	86.2%# 1 year; 100% # 2 years; and 100% # 3 years old	95% # 1 year and 100% # 2 years old	84.3% # 1 year; 99.1% # 2 years; and 100% # 3 years old
Other licensing tasks completed/year	1006	939	800	80

The following charts demonstrate NRC's progress in meeting the four licensing action and other licensing task output measure goals.

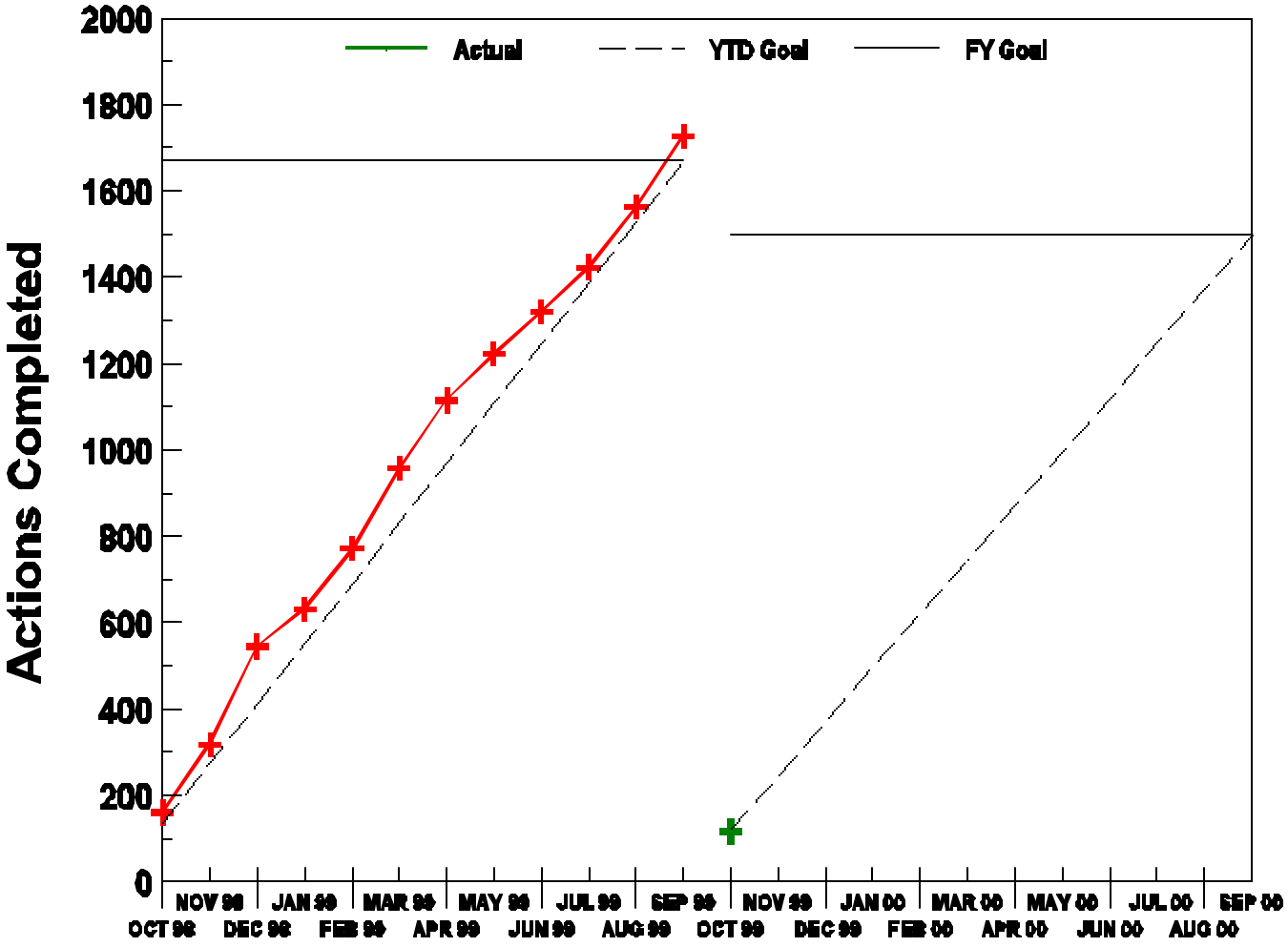
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



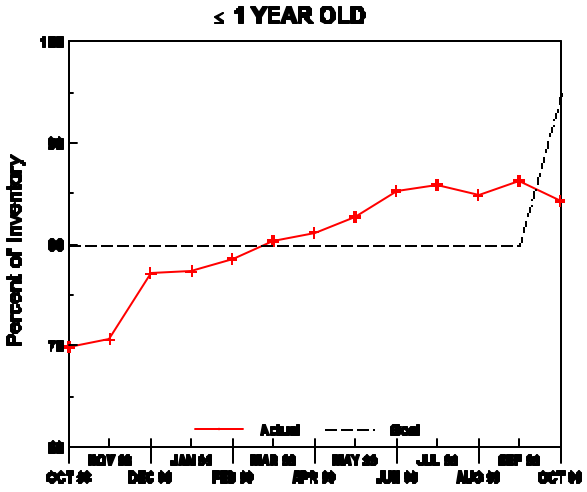
Nuclear Reactor Safety - Reactor Licensing

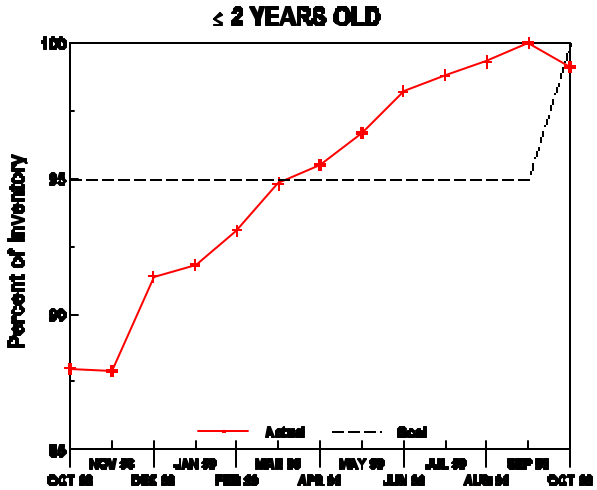
Performance Plan Target: Completed Licensing Actions

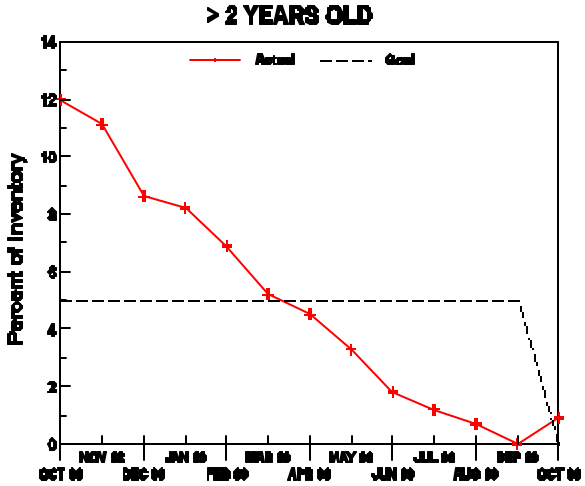


Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory

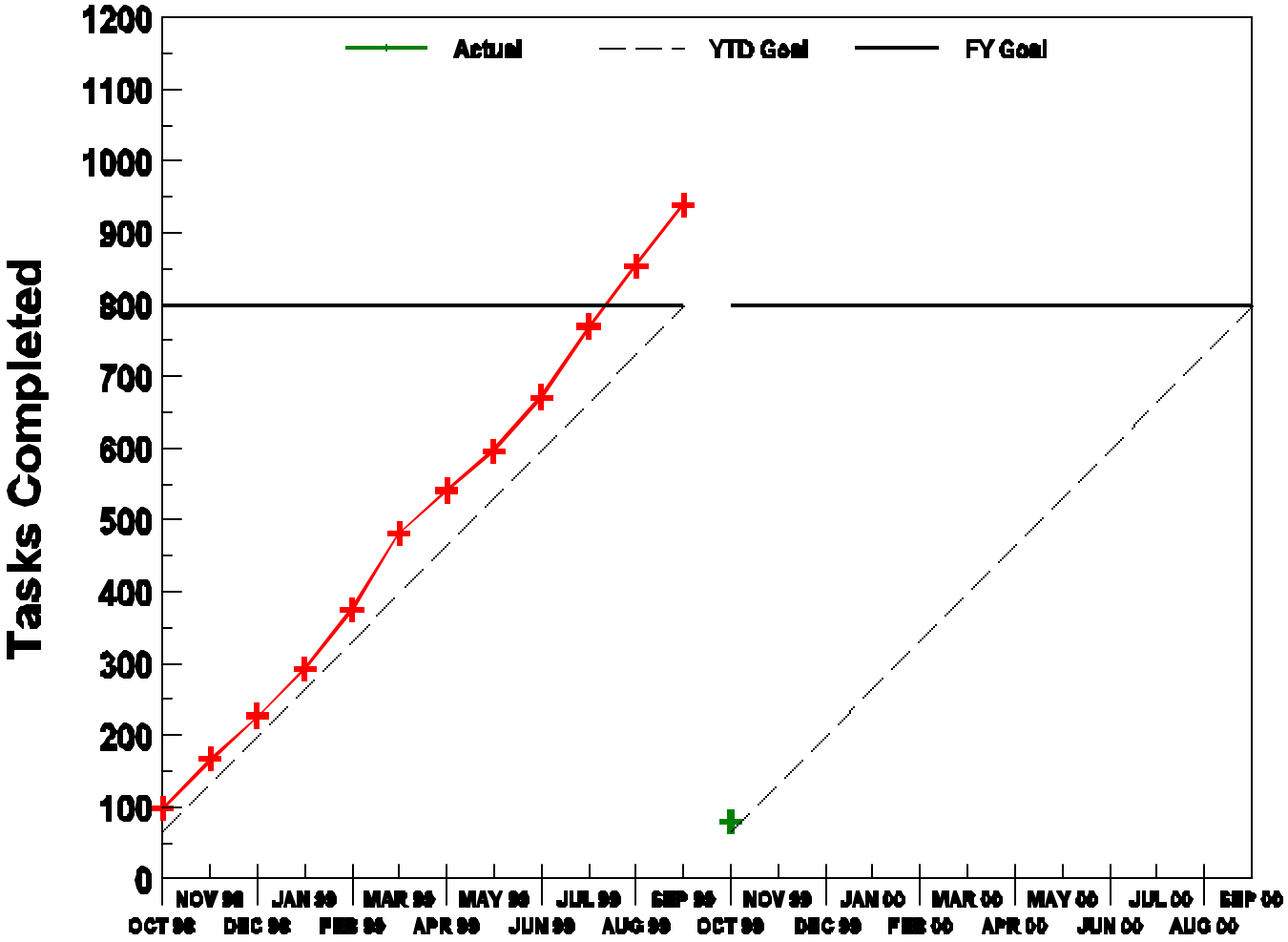






Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of Calvert Cliffs License Renewal Application

All activities associated with the review of the Calvert Cliffs license renewal application are on schedule. The NRC staff issued the final safety evaluation report on November 16, 1999, finding that there are no safety concerns preventing the NRC from extending the Calvert Cliffs licenses. Similarly, the staff found in the final supplemental environmental impact statement issued on October 5, 1999, that the environmental impacts from renewal were not so adverse as to preclude renewing the Calvert Cliffs licenses.

A Commission decision on the issuance of the renewed licenses is scheduled for April 2000. On November 12, 1999, the United States Court of Appeals for the District of Columbia Circuit issued a decision remanding the Calvert Cliffs proceeding to the Commission for further action. However, on November 23, 1999, the court vacated its earlier judgment and accompanying majority opinion and has since scheduled argument for January 26, 2000.

VI. Status of Review of Private Fuel Storage, L.L.C.'s Application for a License to Operate an Independent Spent Fuel Storage Installation

Litigation in the adjudicatory proceeding on the Private Fuel Storage, Limited Liability Corporation application continued during this reporting period. The Atomic Safety and Licensing Board denied a motion from Private Fuel Storage, Limited Liability Corporation for summary disposition of one contention, and rejected a late-filed amended contention by the State of Utah. Also, the parties to the proceeding jointly submitted a proposal that hearings on the physical protection plan be held in March 2000. There is one remaining contention associated with the physical protection plan. The physical protection plan hearing will be at NRC headquarters. All other hearings are currently planned to take place in Salt Lake City, Utah.

During this reporting period, Private Fuel Storage, Limited Liability Corporation submitted its response to the second Request for Additional Information associated with NRC staff's environmental review. NRC staff is currently reviewing the submittal and if the submittal is found to be complete, the staff will be able to complete the Draft Environmental Impact Statement, as scheduled and make it available for public comment in March 2000.

NRC staff began discussions, during this reporting period, with the Department of Transportation's Surface Transportation Board which must approve the construction of any new rail line within the United States. Since Private Fuel Storage, Limited Liability Corporation wants to build a new rail line to carry spent fuel from the existing main rail line to its proposed facility, the Surface Transportation Board must decide whether or not to grant permission for this rail line to be built. NRC staff's discussions with the Surface Transportation Board are focused on including the Board as the third federal agency cooperating with NRC in the development of the Environmental Impact Statement. The Department of Interior's Bureau of Indian Affairs and Bureau of Land Management are the current cooperating federal agencies.

Work continued during this reporting period on the safety evaluation report for the site-related (non-cask specific) aspects of the application from Private Fuel Storage, Limited Liability Corporation. The staff has continued discussions with Private Fuel Storage, Limited Liability Corporation on the two major outstanding areas where complete data was not received on time and which will be addressed in a supplement to the safety evaluation report.

VII. Summary of Reactor Enforcement by Region

Revision to the Enforcement Policy

On November 9, 1999 NRC published a complete revision of its General Statement of Policy and Procedure for NRC Enforcement Actions (NUREG-1600). This was the third complete revision of the Enforcement Policy since it was first published as a NUREG document on June 30, 1995. This revision: (1) revised the approach for assessing the significance of violations; (2) changed guidance to conform to recent revisions to the NRC's regulations for operating reactors regarding changes, tests, and experiments; (3) updated the Policy to reflect the Deputy Executive Director for Reactor Programs and the Deputy Executive Director for Materials, Research and State Programs as the principal enforcement officers of the NRC; (4) corrected the schedule for exercising enforcement discretion for findings involving the completeness and accuracy of licensee Final Safety Analysis Reports; (5) consolidated the guidance on dispositioning Severity Level IV violations as either Notices of Violation or Non-Cited Violations; (6) reorganized existing guidance on the relationship between safety and compliance to improve clarity; (7) consolidated changes to the Enforcement Policy since May 1998; and (8) edited and restructured existing guidance to assure consistency with recent policy changes and to facilitate maintenance of the Enforcement Policy. The intent of this Policy revision was to move towards a more risk-informed and performance-based approach.

Reactor Enforcement by Region

	Reactor Enforcement Actions*					
		Region I	Region II	Region III	Region IV	TOTAL
Severity Level I	Oct. 99	0	0	0	0	0
	FY 99 Total	0	0	0	0	0
	FY 98 Total	0	0	0	0	0
Severity Level II	Oct. 99	0	0	0	0	0
	FY 99 Total	5	0	2	0	7
	FY 98 Total	3	1	1	1	6
Severity Level III	Oct. 99	1	0	1	1	3
	FY 99 Total	9	2	7	8	26
	FY 98 Total	46	11	15	19	91
Severity Level IV	Oct. 99	0	0	0	0	0
	FY 99 Total	52	42	57	60	211
	FY 98 Total	383	271	392	261	1307
Non-Cited Severity Level IV	Oct. 99	20	14	42	24	100
	FY 99 Total	330	268	334	334	1237
	FY 98 Total	372	240	307	214	1133

*Numbers of violations are based on enforcement action tracking (EATS) system data that may be subject to minor changes following verification. The number of Severity Level I, II, III listed refers to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

Description of Significant Actions (Severity Level I, II, III) taken in October 1999

Beaver Valley Power Station, Duquesne Light Company
Supplement I, (EA 98-212)

A Notice of Violation was issued on October 21, 1999. This action was based on Severity Level III problem involving two violations of NRC requirements regarding: (1) the failure to implement corrective actions to prevent biofouling of the service water system, despite prior opportunities to

do so; and (2) the failure to provide adequate acceptance criteria in the procedure for chemical treatment of the service water system. These violations resulted in fouling of the emergency diesel generator (EDG) heat exchangers. Although the licensee was aware of the potential for biofouling of plant systems as early as 1990, and developed a plan for preventive and corrective actions in 1995, the planned actions were not effectively implemented. The routine and bulk biocide treatments were not applied at an appropriate frequency to prevent infestation of Zebra mussels in the service water system. As a result, when a bulk biocide treatment was applied to the service water system in July 1999, the mussels in portions of the system accumulated in the 2-2 EDG heat exchanger during surveillance testing of the EDG. The heat exchanger for the other EDG did not clog at the same time because the intended biocide concentration was not applied to the other service water train due to an error in implementation of the chemical treatment procedure. Subsequently, the procedure was re-performed for the other train and biofouling occurred in the heat exchanger for the other EDG. Further, the chemical treatment procedure did not contain quantitative or qualitative acceptance criteria to determine the adequacy of service water flow to the EDG heat exchangers following the biocide treatments. As a result, the degraded condition was not identified until 7 days after the biocide treatment when a surveillance test of the EDG was conducted. Because the facility has been the subject of escalated enforcement action within the last 2 years, the NRC considered whether credit was warranted for Identification and Corrective Action. Credit was warranted for identification because the biofouling problem was identified during a surveillance test of the emergency diesel generator. Credit was also warranted for corrective action because actions taken were considered prompt and comprehensive. As a result, no civil penalty was proposed in this case.

Kewaunee Plant, Wisconsin Public Service Corporation
Supplements III and VII (EA 99-183)

A Notice of Violation was issued on October 19, 1999. This action was based on Severity Level III violation involving annual testing of many of the security force shotguns used at the Kewaunee Nuclear Power Plant not being completed in 1997 and 1998. The NRC-approved security manual for the Kewaunee Plant requires the annual test firing of all on-site firearms, including shotguns. The NRC-approved security manual also requires that the results of the annual tests be documented and the record of the tests be maintained. The NRC Office of Investigations (OI) conducted an investigation into the matter and concluded that the training manager for the Wackenhut Corporation, the security force contractor at the Kewaunee Plant, was responsible for ensuring that the annual test of all site assigned firearms, including shotguns, was conducted. The investigation developed information indicating that the annual test was not performed for eleven shotguns during 1997 and nine shotguns in 1998. Two of the shotguns that had not been tested failed to properly cycle during a subsequent test. The OI investigation also concluded that the Wackenhut training manager deliberately falsified the record of those tests and he also deliberately provided false information to the security director of the Kewaunee Plant when questioned on the subject. Because the Kewaunee Nuclear Power Plant has been the subject of escalated enforcement actions within the two years preceding this violation the NRC considered whether credit was warranted for Identification and Corrective Action. Credit was given for Identification because the licensee identified the violation and notified the NRC. Credit was also given for Corrective Action because of the immediate and long term measures taken. As a result, no civil penalty was proposed in this case.

River Bend Station, Entergy Operations, Inc.
Supplement I (EA 99-158)

A Notice of Violation for a Severity Level III problem was issued on October 5, 1999. This action was based on violations of NRC requirements regarding the improper installation of a fuel booster pump coupling pin which resulted in the diesel failing after 55 minutes of operation during a surveillance test on March 24, 1999. This failure was traced to improper staking of the coupling pin, including the failure to use an adhesive, Loctite, that was recommended in a Service Information Memo issued by the EDG vendor. This recommendation was not incorporated into diesel maintenance procedures at River Bend Station. The failure after 55 minutes of operation meant that the Division I EDG was not capable of fulfilling its intended safety function in the event of an accident that required electrical power from the diesels. Because the facility had been the subject of escalated enforcement actions within the last 2 years, the NRC considered whether credit was due for Identification and Corrective Action. Credit was given for both identification and corrective action. As a result, no civil penalty was proposed in this case.

VIII. Power Reactor Security Regulations

The NRC staff is working to risk-inform 10 CFR 73.55, "Requirements for Physical protection of Licensed Activities in Nuclear Power Reactors Against Radiological Sabotage," and associated power reactor security regulations. The NRC staff completed a rulemaking plan to risk inform 10 CFR 73.55 and to revise certain physical security requirements. The plan requires power reactor licensees to identify target sets of equipment that must be protected to maintain safe operation or shutdown of the plant, develop protective strategies to protect against an armed assault by the design basis threat of radiological sabotage, and exercise these strategies periodically.

The rulemaking plan was transmitted to the Commission on October 5, 1999. On November 22, 1999, the Commission issued an SRM and approved the staff's rulemaking plan. The SRM also requires certain other actions by the staff. To accomplish these tasks, the staff will continue its public meetings with the stakeholders, and work with NEI on a voluntary industry program that will be conducted while the new regulation is being written.