

January 7, 2000

MEMORANDUM TO: Cynthia A. Carpenter, Chief
Generic Issues, Environmental, Financial
and Rulemaking Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

FROM: /s/ Peter C. Wen, Project Manager
Generic Issues, Environmental, Financial
and Rulemaking Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

SUBJECT: SUMMARY OF DECEMBER 16, 1999, MEETING WITH THE NUCLEAR
ENERGY INSTITUTE REGARDING OPERATOR LICENSING ISSUES

On December 16, 1999, representatives of the Nuclear Energy Institute (NEI) and Institute of Nuclear Power Operations (INPO) met with Nuclear Regulatory Commission (NRC) staff at the NRC offices in Rockville, Maryland. Attachment 1 lists attendees at the meeting. The purpose of the meeting was to discuss options related to the future implementation of Operator Licensing Examinations.

This meeting was convened to review NEI-proposed options for future development, implementation, and evaluation of operator licensing examinations. It was emphasized that the options presented were for discussion only and that no decisions on any option would be made until a complete analysis of each had been undertaken. All options focused only upon the written examination. Option 1 maintained the current status quo and Option 2 opted to return to the full NRC examination development mode. Options 3 and 4 described more far-reaching options giving industry greater roles in written license examination development. A complete list of options presented and discussed during the meeting is provided in Attachment 2.

After discussing all the options, it was generally agreed that the staff and the industry would commit to making the present program, as structured in NUREG-1021, Revision 8, successful. Notwithstanding that commitment, NEI and INPO agreed to further develop Options 3 and 4 and the NRC agreed to review the proposed options with senior management and provide feedback.

In conclusion, the meeting discussions were open and were considered beneficial in exchanging information.

Attachments: As stated
cc w/atts: See next page

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OPA

**NRC/NEI MEETING ON OPERATOR LICENSING ISSUES
LIST OF ATTENDEES
December 16, 1999**

<u>NAME</u>	<u>ORGANIZATION</u>
Bruce Boger	NRR/DIPM
Robert Gallo	NRR/DIPM/IOLB
Dave Trimble	NRR/DIPM/IOLB
George Usova	NRR/DIPM/IOLB
Fred Guenther	NRR/DIPM/IOLB
John Munro	NRR/DIPM/IOLB
Steve Dennis*	RI
Brian Holian*	RI
Chris Christensen	RII
David Hills*	RIII
Jay Hopkins	RIII
John L. Pellet*	RIV
James Davis	NEI
Bob Post	NEI
Mike Levitan	INPO

*via telephone

Questions to be answered:

Who issues the license?

Is the written exam part of the license process per 10 CFR?
(YES/NO)

Who writes the exam?
(FAC/NRC/INPO)

Who approves the exam?
(FAC/NRC/INPO)

Who Provides oversight of the program?
(NRC/INPO)

Type of oversight
(Before/During/Post Exam) or (Special Program/Accredited Program)

How are appeals handled?
(FAC/NRC/INPO)

Restraints:

1. The relationship between INPO/NRC must be considered when determining oversight methodology.
2. Candidate must not be subject to post-exam scrutiny. (i.e. "once qualified, always qualified").
3. Chief Nuclear Officers feel strongly that the NRC maintain the licensing decision.

Operator Licensing Written Exam Options

exam) that they are prepared to take on the utility

Option 1.

Maintain the "status quo" of voluntary written exam preparation by utilities, submitted to the NRC prior to approval.

Option 2.

Return to NRC preparation and administration of ILO written exams:

that they would be prepared to take on the utility

Option 3.

Utility preparation and administration of written exam without prior NRC review (NRC oversight and inspection similar to the Regualification Program).

Option 4.

Utility preparation and administration of written exam under the accredited program with INPO oversight.

Points germane to the alternatives:

~~examinations. The following information is provided for informational purposes only.~~

§55.40 Implementation.

(a) The Commission shall use the criteria in NUREG-1021, "Operator Licensing Examination Standards for Power Reactors,"(1) in effect six months before the examination date to prepare the written examinations required by §§55.41 and 55.43 and the operating tests required by §55.45. **The Commission shall also use the criteria in NUREG-1021 to evaluate the written examinations and operating tests prepared by power reactor facility licensees pursuant to paragraph (b) of this section.**

(b) **Power reactor facility licensees may prepare, proctor, and grade the written examinations required by §§55.41 and 55.43 and may prepare the operating tests required by §55.45 subject to the following conditions.**

(1) **Power reactor facility licensees shall prepare the required examinations and tests in accordance with the criteria in NUREG-1021 as described in paragraph (a) of this section;**

(2) Pursuant to §55.49, power reactor facility licensees shall establish, implement, and maintain procedures to control examination security and integrity;

(3) **An authorized representative of the power reactor facility licensee shall approve the required examinations and tests before they are submitted to the Commission for review and approval and**

(4) **Power reactor facility licensees must receive Commission approval of their proposed written examinations and operating tests.**

E.S-50A would require changes.
(c) In lieu of paragraph (b) of this section and upon written request from a power reactor facility licensee pursuant to §55.31(a)(3), the Commission shall, for that facility licensee, prepare, proctor, and grade, the written examinations required by §§55.41 and 55.43 and the operating tests required by §55.45. In addition, the Commission may exercise its discretion and reject a power reactor facility licensee's determination to elect paragraph (b) of this section, in which case the Commission shall prepare, proctor, and grade the required written examinations and operating tests for that facility licensee.

(d) The Commission shall prepare, proctor, and grade the written examinations required by §§55.41 and 55.43 and the operating tests required by §55.45 for non-power reactor facility licensees.

§2.103 Action on applications for byproduct, source, special nuclear material, and operator licenses.

(a) If the Director of Nuclear Reactor Regulation or the Director of Nuclear Material Safety and Safeguards, as appropriate, finds that an application for a byproduct, source, special nuclear material, or operator license complies with the requirements of the Act, the Energy Reorganization Act, and this chapter, he will issue a license. If the license is for a facility, or for receipt of waste radioactive material from other persons for the purpose of commercial disposal by the waste disposal licensee, or if it is to receive and possess high-level radioactive waste at a geologic repository operations area pursuant to part 60 of this chapter, the Director of Nuclear Reactor Regulation or the Director of Nuclear Material Safety and Safeguards, as appropriate, will inform the State, tribal and local officials specified in §2.104(e) of the issuance of the license. For notice of issuance requirements for licenses issued pursuant to part 61 of this chapter, see §2.106(d) of this part.

(b) If the Director of Nuclear Reactor Regulation or Director of Nuclear Material Safety and Safeguards, as appropriate, finds that an application does not comply with the requirements of the Act and this chapter he may issue a notice of proposed denial or a notice of denial of the application and inform the applicant in writing of (1) The nature of any deficiencies or the reason for the proposed denial or the denial, and (2) The right of the applicant to demand a hearing within twenty (20) days from the date of the notice or such longer period as may be specified in the notice.

APPLICABLE HISTORY

11/2/94 NRC denied Virginia Power's proposal to allow utilities to develop exams and stated that: "The NRC is bound by the Atomic Energy Act to prescribe uniform conditions for licensing individuals as operators and to determine the qualifications of such individuals."

3/24/95 SECY-95-075 announces pilot program for changes to ILO process. *'Facility licensees will draft and in part conduct initial licensing examinations with NRC oversight. '*

6/95 The rule, 10 CFR 55 does not indicate who prepares or administers the ILO examination. There was extended discussion between the NRC staff, INPO and NEI on how the process should be modified. From that discussion:

- The NRC staff was interested in reducing their resource commitment.
- The NRC staff felt they needed to observe each candidate, to form a basis for the Commission issued license. They felt this could be accomplished by conducting the operating test.
- Confirmation that the rule did not dictate who would conduct the various pieces of the exam. Rulemaking was not required.
- Chief Nuclear Officers felt strongly that INPO should not take over the entire process since a Commission issued license was important from a legal perspective.

6/27/95 A working group meeting (held at INPO) discussed the NRC's desire for increased utility responsibility in the ILO process:

Currently, accreditation of the ILO program ends with the culmination of the training program. Although there are some general examination requirements for NLO training, there is nothing that could be quickly upgraded to cover any part of the examination process. This is a direct result of a longstanding policy that INPO not get involved in regulatory areas.

There was great concern over the N-RC giving up the approval process. Any process that would subject the utility to post examination review or audit would be unsatisfactory. The examination needs to be fully acceptable to everyone before it is given.

Utilities stated that they don't want dual guidance. Some in the working group felt they would get a general SAT approach from the National Academy (ACAD guidance) and a prescriptive process from the NRC. The net result might be then, that an exam writer might violate one or the other no matter how the examination was prepared. The concern for dual guidance was frequently stressed during the rest of the discussion. At the time of the 6/27/95 meeting several utilities felt that there was adequate guidance in the NUREG and there was no need for more guidance from INPO on exam preparation.

8/23/98 Hugh Thompson, in discussions with Mark Peifer (INPO), suggested that the industry propose taking over the Initial Licensed Operator (ILO) written examination as part of the INPO accredited program. Thompson was looking for alternative approaches in addressing weaknesses the NRC was seeing in utility prepared examinations (the exam questions were not meeting the higher review standard the NRC was applying), and in addressing restrictive instructor isolation requirements.