

March 31, 2000

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. We have also expanded the monthly report to include the status of all license renewal applications that are under active review and other NRC initiatives in developing implementation guidance for the license renewal rule. I am pleased to transmit the fifteenth report, which covers the month of February (Enclosure 1).

The January report provided information on a number of significant NRC activities. Included in these were issuing an order that transferred the source material license from Atlas Corporation to the Moab Mill Reclamation Trust and the approval of the staff's plan to risk-inform the scope of 10 CFR Part 50 regulation of the reactor program. In addition, the Commission approved the staff's recommendation to modify the resident inspector staffing policy in a fashion that will add flexibility to the assignment of inspection resources and enable a greater focus on safety by enhancing NRC's ability to allocate inspection resources on the basis of licensee performance.

There are four significant items of interest that occurred since our January report that I would like to call to your attention. First, on February 15, the Indian Point 2 nuclear power plant in Buchanan, New York, suffered a steam generator tube failure. Plant workers manually shutdown and stabilized the plant after receiving indications of a steam generator tube leak in one of the plant's four steam generators. Plant personnel performed radiological surveys on and off the plant site, located about 40 miles north of New York City, and detected no radioactivity above normal background conditions. NRC onsite inspectors closely monitored the situation. On March 14, the NRC conducted a public meeting in Peekskill, New York, to discuss the steam generator tube failure at Indian Point 2 and to respond to questions from the public.

In response to the tube failure, the NRC sent an Augmented Inspection Team (AIT) to the site to look into the event and its causes. On March 29, a meeting with Consolidated Edison was held to discuss the team's findings. That meeting was open to the public for observation. The cause and nature of the steam generator tube failure is the subject of a separate NRC review. That work is on-going.

Second, on February 24, the Commission decided to move the Technical Training Center (TTC), including all four simulators, from its current location in Chattanooga, Tennessee, to a location in close proximity to the NRC headquarters. The Commission noted in that decision that the NRC training program can be improved by co-locating the TTC in the headquarters area to ensure that these NRC assets are utilized to their fullest potential, and the staff was directed to take actions to implement this decision. In light of Congressional concerns, the Commission has now decided to defer action until the General Accounting Office (GAO) concludes a pending study on the merits of the move and the Commission has had an opportunity to review any GAO recommendations. We will inform you of our conclusions before acting.

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Since our January report, the Commission and the NRC staff also:

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Sincerely,

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Richard A. Meserve

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1. February Monthly Report
2. Tasking Memorandum

cc: Senator Bob Graham

March 31, 2000

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

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Sincerely,

/RA/

Richard A. Meserve

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1. February Monthly Report
2. Tasking Memorandum

cc: Representative Rick Boucher

March 31, 2000

The Honorable Tom Bliley, Chairman
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

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cc: Representative John D. Dingell

March 31, 2000

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Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

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1. February Monthly Report
2. Tasking Memorandum

cc: Representative Peter J. Visclosky

March 31, 2000

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United States Senate
Washington, D.C. 20510

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2. Tasking Memorandum

cc: Senator Harry Reid

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

February 2000

Enclosure 1

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I. 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. Noteworthy accomplishments in the areas of Rulemaking and Licensing Activities are summarized below:

Risk-informing 10 CFR Part 50

The Commission recently approved the staff's plan to risk-inform the scope of 10 CFR Part 50 regulations for the reactor program. The staff will shortly issue an Advance Notice of Proposed Rulemaking that seeks public comment on the direction, scope, and the effects of risk-informing the reactor regulatory program. The Commission believes that this effort will enhance public safety by allowing licensees and NRC to focus resources on the most significant safety issues. By focusing on the most risk significant safety issues, this rulemaking will inherently provide a voluntary means to reduce regulatory burdens and to improve efficiency and effectiveness. An alternative regulatory infrastructure will permit licensees to reduce special treatment requirements for those structures, systems, and components that do not contribute appreciably to safety. The Commission intends to solicit stakeholder input, interactions, and discussion throughout the rulemaking process. The Commission also approved the staff's plan for performing the study phase of its work to risk-inform the technical requirements in Part 50.

Guidelines for Use of Risk-Informed Decision making in License Amendment Reviews

The Commission approved the staff developed approach for applying risk-informed decision making in license amendment reviews, as well as implementation of the process on an interim basis while the staff proceeds to modify related guidance documents and engage stakeholders. This guidance would be used to decide whether undue risk exists when all other regulatory requirements appear to be satisfied. Staff has initiated development of draft modifications to regulatory guidance documents and will be forwarding the schedule for completing this work to the Commission this month. The staff expects to release draft modifications in April, and in May discuss the modifications with the Advisory Committee on Reactor Safeguards (ACRS), the Committee To Review Generic Requirements (CRGR), and the public. The final documents are expected to be forwarded to the Commission in September.

II. Revised Reactor Oversight Process

The staff has continued to meet on approximately a biweekly basis with the Nuclear Energy Institute and other stakeholders to refine the proposed changes to its oversight process. Recent activities include the following:

- On January 20, 2000, NRR staff briefed the ACRS Sub-committee on the use of performance indicators and the significance determination process in the revised reactor oversight process (RROP). The staff made an additional presentation to the ACRS Full Committee on February 3, 2000.
- NRR managers and members of the Inspection Program Branch are continuing to interface with the NRC staff and stakeholders to discuss the RROP, answer questions, and obtain feedback.

- On January 25, 2000, the NRR management met with industry Licensing Managers and probabilistic risk assessment (PRA) specialists in Region IV to discuss the RROP and the significance determination process. The meeting provided valuable feedback and insights.
- In support of the initial implementation of the RROP, each non-pilot plant licensee voluntarily submitted historical performance indicator data on January 21, 2000. This information was made available to the public in mid-February, 2000.
- As part of its effort to communicate with external stakeholders regarding the RROP, NRC conducted a number of public meetings in the vicinity of each pilot plant. Public meetings were first held at the beginning of the pilot program, and then a series of public roundtable meetings were held after the pilot program was completed. The last public roundtable meeting was held in the vicinity of the Salem and Hope Creek (New Jersey) power plants on February 2, 2000. Public stakeholders were appreciative of these meetings that provided an opportunity for local officials, interest groups, and members of the public to provide their views on the new program. Various recommendations were made to enhance the agency's local public outreach activities in order to keep citizens informed of the agency's mission and programs. In general, while a number of concerns were raised, the public indicated that their confidence in the agency's efforts to maintain safety was enhanced as a result of the meetings. NRC staff intends to conduct evening public meetings at each of the sites where the new process will be implemented later this year. These meetings will be used to orient local citizens about the reactor oversight process, explain why the agency is revising its process, and how the new process will work.
- The Technical Training Center staff conducted several RROP Training sessions for NRC inspectors. The training will be completed for all inspectors in April 2000 to ensure that all NRC inspection staff have a sufficient understanding of the RROP prior to initial implementation.
- NRC will hold public workshops in each of the four NRC regions between February 22, 2000 and March 23, 2000. The workshops have been announced in the Federal Register. The workshops will provide information to NRC, Industry, and the public on the RROP. The workshops will focus on the key attributes of the new oversight process and the associated program documents.

III. Status of Issues in the Reactor Generic Issue Program

There are no changes in this area from the January 2000 report.

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 to 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.

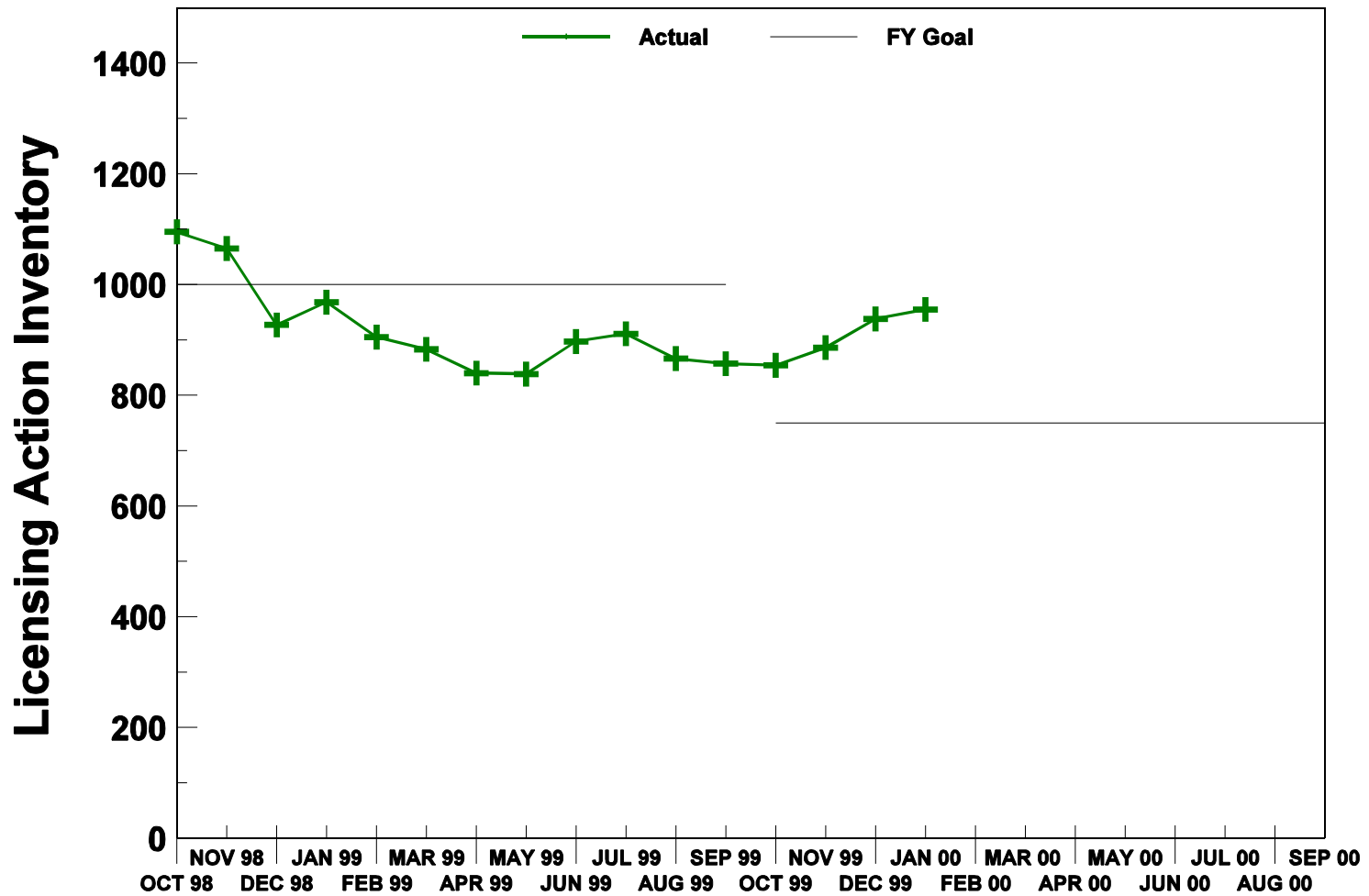
The actual FY 1998 and FY 1999 results, the FY 2000 goals and the actual FY 2000 results, through the end of January 2000, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below. Note that the FY 2000 goal of 1500 licensing actions completed/year balances the rate of incoming licensing requests with the staff's current labor rate and reflects the goal that most efficiently focuses staff resources.

PERFORMANCE PLAN				
Output Measure	FY 1998 Actual	FY 1999 Actual	FY 2000 Goals	FY 2000 Actual (thru 01/31/2000)
Licensing actions completed/year	1425	1727	1500	425
Size of licensing actions inventory	1113	857	750	955
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	86.5% ≤ 1 year; 99.2% ≤ 2 years; and 0.8% > 2 years old
Other licensing tasks completed/year	1006	939	800	560

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

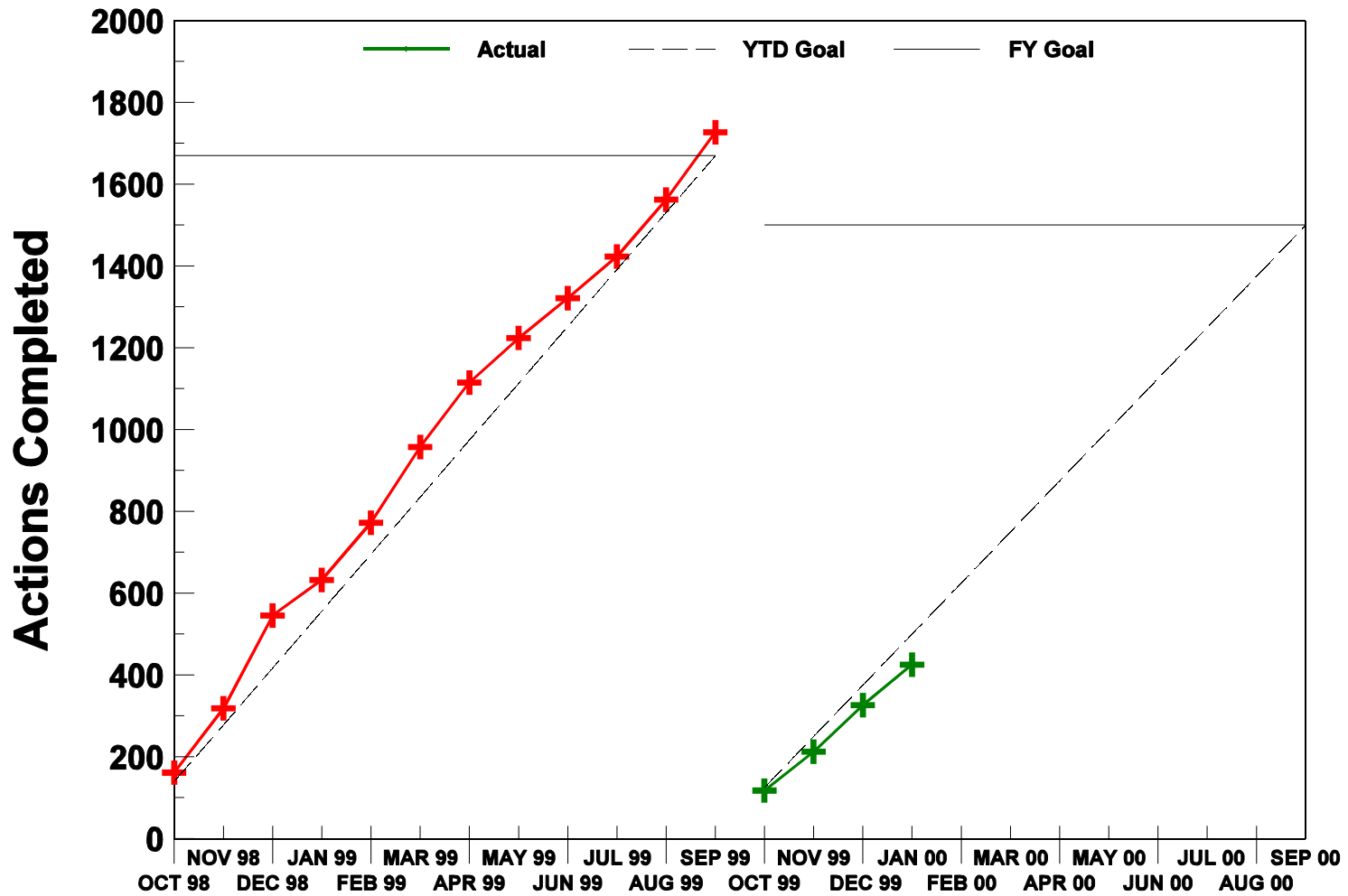
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Licensing Action Inventory



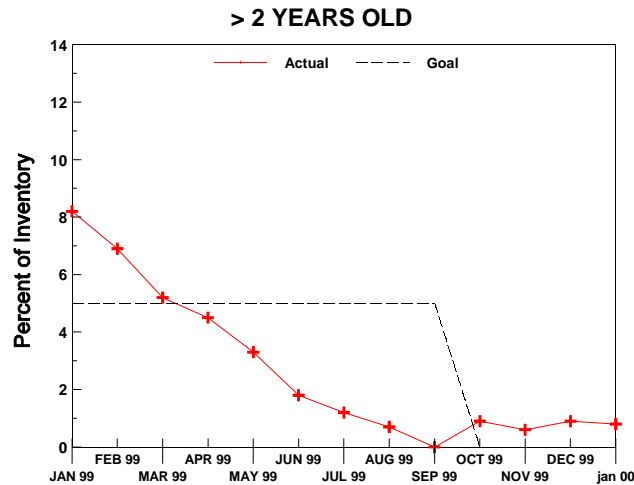
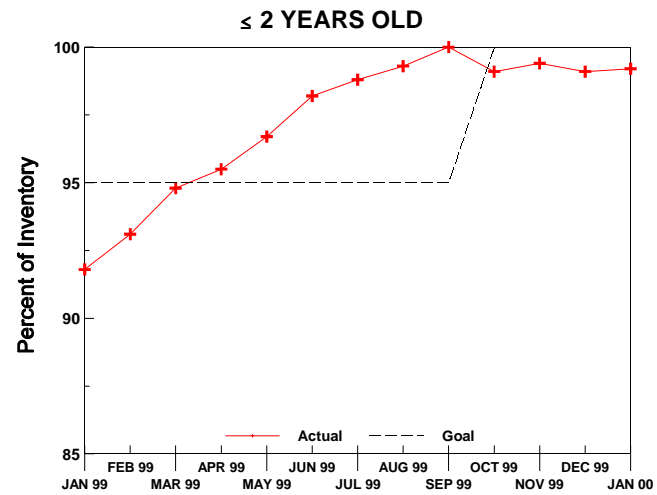
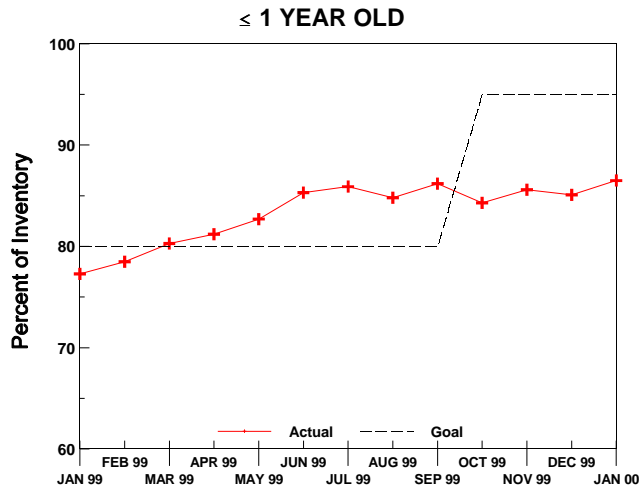
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



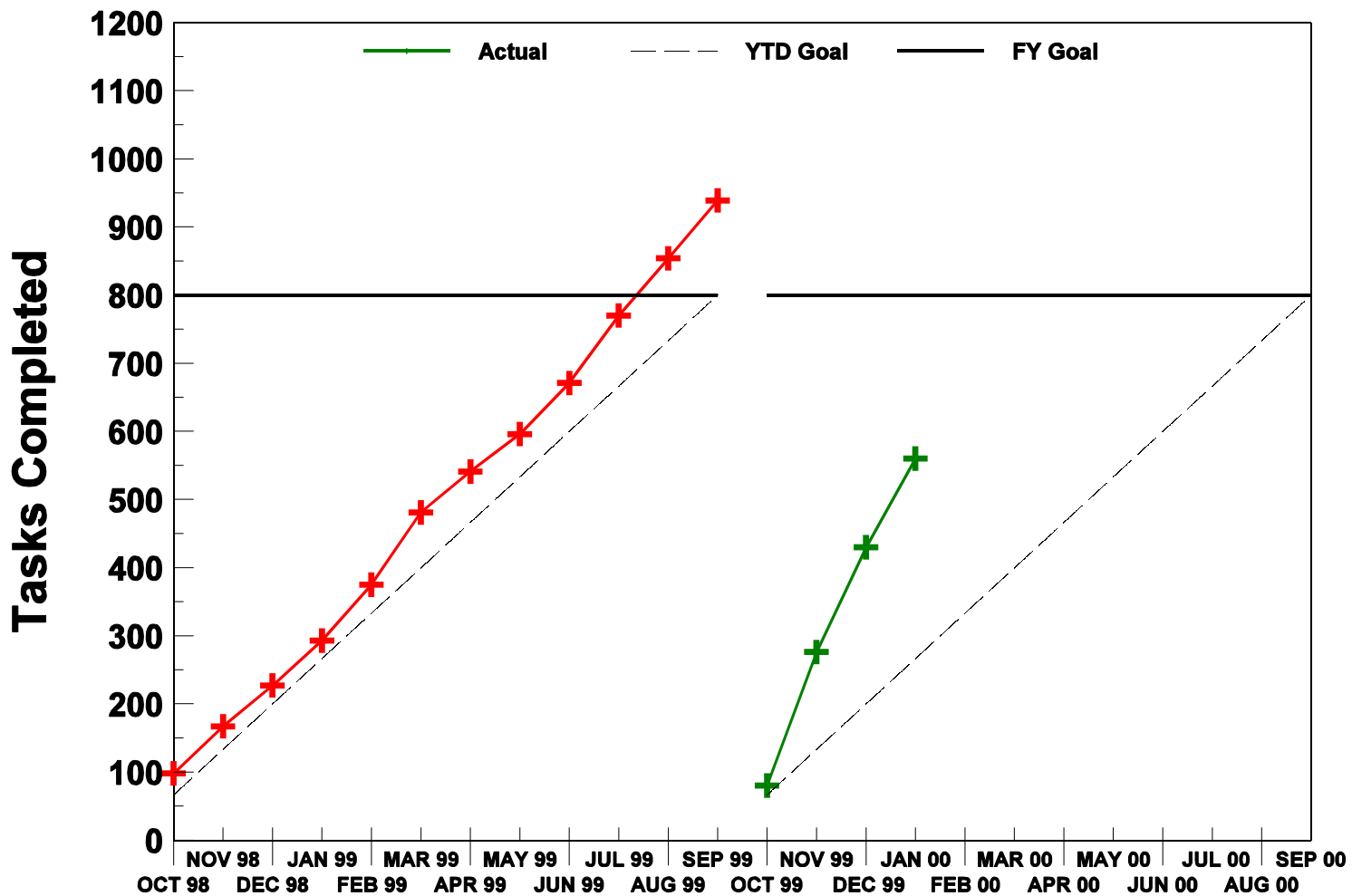
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Calvert Cliffs License Renewal Application

All activities associated with the review of the Calvert Cliffs license renewal application are on schedule. The staff's recommendation regarding issuance of the license is under consideration by the Commission. 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 judgement and accompanying majority opinion. In an order dated December 7, 1999, the court scheduled oral arguments to be heard on January 26, 2000, and later rescheduled it and oral arguments were heard on March 2, 2000.

Oconee License Renewal Application

All activities associated with the review of the Oconee license renewal application are on schedule. NRC staff issued the final safety evaluation report on February 3, 2000, finding that there are no safety concerns preventing NRC from extending the Oconee licenses. Similarly, the staff found in the final supplemental environmental impact statement issued on December 9, 1999, that the environmental impacts from renewal were not so adverse as to preclude renewing the Oconee licenses. A Commission decision on issuance of the renewed license is scheduled for July 2000.

Arkansas Nuclear One, Unit 1, License Renewal Application

On February 1, 2000, NRC received an application for renewal of the Arkansas Nuclear One, Unit 1, operating license. The staff is currently performing the required acceptance review and, if found acceptable, will docket the application, notice an opportunity for hearing, and issue the review schedule.

License Renewal Implementation Guidance Development

NRC staff is continuing development of implementation guidance for the license renewal rule with input from interested stakeholders. A draft Generic Aging Lessons Learned (GALL) report was prepared and made publicly available. The report documents generically the basis for determining when existing programs are adequate and when existing programs should be augmented for license renewal. A public workshop was conducted on December 6, 1999, to discuss the approach for the report and its contents. The GALL report is currently under review and will be referenced in an update of the draft standard review plan for license renewal as the basis for identifying those programs that warrant particular attention during the staff's review of a license renewal application.

The staff is also revising the draft license renewal regulatory guide which provides guidance on the standard format and content of a license renewal application. Experience gained from the review of the Calvert Cliffs and Oconee renewal applications is being incorporated into the revision of both the regulatory guide and the standard review plan. The revised standard review plan, GALL report, and regulatory guide are scheduled to be issued in August 2000 to obtain public comments.

VI. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

During this reporting period, BNFL Fuel Solutions withdrew its application for NRC certification of the storage component of its TranStor dual purpose cask system. The TranStor dual-purpose cask system is one of two cask systems referenced in its application by Private Fuel Storage, Limited Liability Corporation for use at its proposed facility. NRC review of the other cask system, the Holtec International HI-STAR/HI-STORM dual-purpose cask system is nearly complete. The HI-STAR 100 transportation cask has been certified by the staff. The staff is currently completing the disposition of rulemaking comments on the HI-STORM storage cask and expects completion of the certification of HI-STORM in the spring of 2000. The withdrawal of TranStor application will likely require Private Fuel Storage, Limited Liability Corporation to revise its application but will not affect the completion of the staff's safety evaluation of that application.

Private Fuel Storage, Limited Liability Corporation submitted Revision 9 to its Safety Analysis Report. This revision responds to requests from the NRC staff for information needed by the staff to complete its safety evaluation of most of the items left open in the "Safety Evaluation Report of the Site-Related Aspects of the Private Fuel Storage Facility Independent Spent Fuel Storage Installation" which was issued in December 1999.

NRC staff continued work on the Environmental Impact Statement. A working draft version of the Draft Environmental Impact Statement was reviewed by the cooperating Federal agencies (Department of Interior Bureau of Indian Affairs, Department of Interior Bureau of Land Management, Surface Transportation Board). NRC staff is currently resolving the comments received from the cooperating Federal agencies and plans a final inter-agency review of the Draft Environmental Impact Statement in April, with publication scheduled for May of 2000.

Litigation in the adjudicatory proceeding on the Private Fuel Storage, Limited Liability Corporation application continued during this reporting period. By a filing dated February 14, 2000, the State of Utah advised the Atomic Safety and Licensing Board that it did not intend to proceed with further litigation on the security contention regarding local law enforcement. This was the only remaining security-related contention scheduled for consideration at a March 2000, hearing at NRC Headquarters. After consideration, the Atomic Safety and Licensing Board dismissed the contention. Consequently, the March 2000 hearing was canceled. The separate hearing on the safety contentions is not affected and will go forward, as scheduled, in June 2000.

VII. Enforcement Process and Summary of Reactor Enforcement by Region

Reactor Enforcement by Region

		Reactor Enforcement Actions*				
		Region I	Region II	Region III	Region IV	TOTAL
Severity Level I	Jan.2000	0	0	0	0	0
	FY 2000 YTD	0	0	0	0	0
	FY 99 Total	0	0	0	0	0
	FY 98 Total	0	0	0	0	0
Severity Level II	Jan.2000	0	0	0	0	0
	FY 2000 YTD	0	1	0	0	1
	FY 99 Total	5	0	2	0	7
	FY 98 Total	3	1	1	1	6
Severity Level III	Jan.2000	0	0	0	0	0
	FY 2000 YTD	1	0	2	2	5
	FY 99 Total	9	2	7	8	26
	FY 98 Total	46	11	15	19	91
Severity Level IV	Jan.2000	0	0	0	1	1
	FY 2000 YTD	0	1	0	2	3
	FY 99 Total	52	42	57	60	211
	FY 98 Total	383	271	392	261	1307
Non-Cited Severity Level IV	Jan.2000	28	22	18	24	92
	FY 2000 YTD	130	75	118	110	433
	FY 99 Total	343	267	334	305	1249
	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.

VIII. Power Reactor Security Regulations

NRC staff is continuing to work 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 staff is preparing provided a position paper for the Commission on the performance criteria that would be used to develop security plans, target sets, and scenarios for testing. These performance criteria would (1) be linked to plant operating conditions, (2) further risk-inform the process, and (3) incorporate engineering and operational aspects into the response to an adversary "act." Weekly meetings with the stakeholders have been used advantageously to achieve insights into this process.