July 3, 2002

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

Dear Mr. Chairman:

The Fiscal Year (FY) 2002 Energy and Water Development Appropriations Act, House Report 107-258, 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 FY 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. The FY 2000 Energy and Water Development Appropriations Act, House Report 106-253, expanded the scope of the report requirement to include regulatory reform efforts affecting power reactor operations beyond 10 CFR Part 50, particularly NRC efforts to evaluate NRC security regulations. In FY 2000, we 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. In response to increased Congressional interest, in the May 2001 report, we began to provide information regarding the status of activities involving power uprate licensing actions. On behalf of the Commission, I am pleased to transmit the forty-first report, which covers the month of April 2002 (Enclosure 1).

The March report provided information on a number of significant NRC activities, including an update of our actions following the terrorist attacks of September 11 and a status report on the reactor-vessel-head corrosion incident at the Davis-Besse Nuclear Power Station in Oak Harbor, Ohio. I would like to provide additional information to you on both of these issues.

In regard to the physical security and safeguards for NRC licensed facilities, the Commission issued an immediately effective Order on March 25, 2002, to Honeywell International, Inc., and to the United Sates Enrichment Corporation (USEC) on June 17, 2002, to implement interim compensatory security measures for the current threat environment. Honeywell is a uranium conversion facility located in Metropolis, Illinois. USEC operates gaseous diffusion plants located in Piketon, Ohio, and Paducah, Kentucky, which it leases from the U.S. Department of Energy. Like the February 25, 2002 Orders issued to all commercial nuclear power plants, these Orders formalize a series of security measures that Honeywell and USEC have taken in response to Commission advisories, or on their own, in the wake of the September 11 terrorist attacks. Additional security enhancements resulting from the Commission's on-going comprehensive security review are also spelled out in the Orders. The NRC is also preparing Orders for independent spent fuel storage installations using dry storage,

fuel facilities, and licensees who ship or receive spent fuel or large quantities of radioactive material. We are also evaluating the need to issue Orders to certain other licensees.

In regard to the head corrosion at the Davis-Besse Nuclear Power Plant, the staff established a special oversight panel on April 30, 2002. The panel will coordinate the Agency's activities in assessing the performance problems associated with the corrosion damage, monitoring corrective actions, and evaluating the readiness of the plant to resume operations. Representatives from the State of Ohio will also have an active role in these activities. To this end, the NRC conducted three public meetings to discuss the agency's activities associated with the issue on Wednesday, June 12, at 10 a.m., 3 p.m., and 7 p.m. in Oak Harbor, Ohio. The plant will not restart until the NRC is satisfied that all current safety concerns have been resolved. We will continue to keep you informed of this issue.

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

- conducted public meetings on NUREG-1804, Revision 2, "Yucca Mountain Review Plan, Draft Report for Comment" on May 21-23, 2002. During these meetings, NRC received a request to extend the comment period by an additional 90 days and conduct additional public meetings on the draft review plan. After considering the request, the NRC decided to extend the public comment period for an additional 45 days. The extended comment period expires on August 12, 2002.

- renewed the operating licenses for Turkey Point Units 3 and 4 for an additional 20 years. Turkey Point Units 3 and 4 are pressurized water nuclear reactors located in Miami-Dade County east of Florida City, Florida. The Turkey Point license renewal brings the total renewals to 10 units. The Commission also authorized the Director of the Office of Nuclear Reactor Regulation (NRR) to issue all future uncontested operating license renewals without prior Commission authorization once the Director of NRR has made the appropriate findings.

- approved a request by Carolina Power & Light Company to increase the generating capacity of the Brunswick nuclear power plant, Units 1 and 2, by 15 percent each. The power uprate at the plant, near Southport, North Carolina, will increase the generating capacity of Unit 1 and Unit 2 from 841 to 958 and from 835 to 951 megawatts electric, respectively. The licensee intends to implement the power uprate at Unit 1 immediately and next year at Unit 2.

- approved the transfer of the operating license for the Vermont Yankee nuclear power station from Vermont Yankee Nuclear Power Corporation to subsidiaries of the Entergy Corporation. As provided by NRC regulations, the staff's approval of the license transfer became effective on May 17.

- published in the Federal Register on May 28, 2002 (67 FR 36920), a document that revises the NRC's public meeting policy to enhance public participation in NRC meetings. The revised policy identifies three categories of public meetings convened by the NRC and describes criteria for the level of public participation, information availability, and follow-up effort associated with each meeting category.

- published in the Federal Register on June 24, 2002 (67 FR 42612), a final rule amending the licensing, inspection, and annual fees charged to NRC applicants and licensees. The amendments are necessary to implement the Omnibus Budget Reconciliation Act of 1990 (OBRA-90), as amended, which requires that the NRC recover approximately 96 percent of its budget authority in fiscal year (FY) 2002, less the amounts appropriated from the Nuclear Waste Fund and the General Fund. The amount to be recovered for FY 2002 is approximately $479.5 million.

- published in the Federal Register on May 6, 2002 (67 FR 30315), a final amendment to 10 CFR 15 concerning procedures to collect outstanding debts. The final rule ensures conformity with the Debt Collection Improvement Act of 1996 and the amended procedures of the Federal Claims Collection Standards issued by the Department of the Treasury and the Department of Justice.

- issued a draft safety evaluation report on April 30, 2002, concerning the construction of proposed mixed oxide (MOX) fuel fabrication facility at the Department of Energy's (DOE's) Savannah River site near Aiken, South Carolina. The staff expects to issue a revised draft and a final safety evaluation report on construction of the facility, after evaluating further information to be submitted by DOE's contractor, Duke Cogema Stone & Webster (DCS).

- published a proposed rule in the Federal Register on April 30, 2002 (67 FR 21389), to make the regulations in 10 CFR Part 71 compatible with the International Atomic Energy Agency (IAEA) transportation safety standards, and to incorporate certain other NRC-initiated transportation safety regulations. The Department of Transportation (DOT) also published, on the same date, its proposed rule in the Federal Register which would also make its 49 CFR compatible with IAEA safety standards. Both rules have a public comment period of 90 days, which ends on July 29, 2002. NRC will have, with DOT participating, public meetings in Chicago on June 4, 2002, and at NRC Headquarters on June 24, 2002.

- issued a Certificate of Compliance on April 8, 2002, for the Big Rock Point Reactor Vessel transport package. The reactor vessel will be contained within a fully welded steel structure filled with low density concrete. All fuel had previously been removed from the reactor vessel. The package will be shipped by rail for disposal at the Barnwell low-level waste disposal facility located in Barnwell, South Carolina.

- published NUREG-1520 entitled “Standard Review Plan (SRP) for the Review of an Application for a Fuel Cycle Facility” on March 29, 2002. This SRP provides guidance to the NRC reviewers in the Office of Nuclear Material Safety and Safeguards who perform safety and environmental impact reviews of applications to construct or modify and operate nuclear fuel cycle facilities licensed under 10 CFR Part 70.

I have enclosed (Enclosure 2) the update to the Tasking Memorandum which delineates the schedules for accomplishing high priority initiatives.

Please do not hesitate to contact me if I may provide additional information.

Sincerely,

/RA/

Richard A. Meserve

Enclosures:
1. Monthly Report
2. Tasking Memorandum

cc: Representative Rick Boucher

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

APRIL 2002

Enclosure 1

TABLE OF CONTENTS[1]

[1]Note: The period of performance covered by this report includes activities occurring between the first and last day of April 2002. The transmittal letter to Congress accompanying this report may provide more recent information in order to keep Congress fully and currently informed of NRC's licensing and regulatory activities.

I. Implementing Risk-Informed Regulations

The staff continues to make progress on tasks involving use of probabilistic risk information in many areas. Although various activities are in progress, in April 2002 we did not reach a milestone of significance that warrants separate reporting. The milestone schedule for significant risk-informed activities is included in the Commission Tasking Memorandum.

II. Reactor Oversight Process

The NRC continues to implement the Reactor Oversight Process (ROP) at all nuclear power plants. The NRC has continued meeting with interested stakeholders on a periodic basis to collect feedback on the efficacy of the process and considers this feedback in making refinements to the ROP. Recent activities include:

l. The NRC conducted its second Agency Action Review Meeting (AARM) on April 9-11, 2002, in Annapolis, Maryland. The AARM was conducted in accordance with draft Management Directive 8.14, "Agency Action Review Meeting." The purpose of the meeting was to: (1) review the Agency's actions for those plants with significant performance problems as determined by the NRC ROP Action Matrix; (2) review the staff's self-assessment of ROP effectiveness; (3) review industry performance trends; and (4) discuss agency-wide technical and policy issues. The Regional Administrators led a discussion of the Indian Point 2 and Cooper plant performance and the NRC actions taken to date. The senior managers confirmed that these actions and those planned for the future, are appropriate. In addition, NRR staff made presentations concerning the industry trends process and the results of calender year 2001 ROP self assessment.

m. The NRC completed on April 22, 2002, the annual ROP public meetings with licensees to discuss the results of plant performance for the period April 1, 2001, to December 31.

n. NRR staff is continuing efforts to interface with internal stakeholders to improve and implement a more efficient and effective ROP. For example, on April 16-18, 2002, a Senior Reactor Analyst (SRA) counterpart meeting was held to review programmatic and technical issues involving SRA activities that were identified since initial implementation of the reactor oversight process. The meeting also allowed participants to provide feedback to improve SRA activities, make recommendations for headquarter's action and initiatives, and share experiences for the benefit of all SRAs and other PRA professionals within the NRC. Key discussion topics included: 1) the significance determination process (SDP) improvement initiative and associated task action plan; 2) external event analysis; and 3) continued improvement and development of the fire protection and shutdown SDPs.

o. NRR staff conducted another of a continuing series of public meetings on April 25, 2002, with the NRC/Industry ROP Working Group. The key issues discussed included: update on status of unavailability/unreliability pilot program issues; update on changes to Inspection Manual Chapter 0612, "Power Reactor Inspection Reports;" discussion of

fire protection, maintenance risk assessment and risk management, and draft steam generator tube degradation SDPs; and frequently asked questions.

p. The NRC staff conducted a Safety System Unavailability/Unreliability (UA/UR) Committee meeting with the industry and public on April 3-4, 2002. The meeting further discussed the objectives and success criteria for a pilot program for the proposed replacement unavailability/unreliability performance indicators (PIs), scope of the pilot program including pilot program participants, threshold of PIs, and open issues resulting from previous UA/UR PI meetings. A workshop is scheduled for June 12-14, 2002, to discuss pilot program implementation of proposed UA/UR PIs. In addition, the NRC staff also conducted a UA/UR Committee public meeting on April 24, 2002, to discuss the latest revision of UA/UR performance indicator guidance document.

III. Status of Issues in the Reactor Generic Issue Program

There are no updates in this area to report for April 2002.

IV. Licensing Actions and Other Licensing Tasks

Licensing actions are defined as requests for: license amendments; exemptions from regulations; relief from inspection or surveillance requirements; approval of topical reports submitted on a plant-specific basis; enforcement discretion; or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 2002 NRC Performance Plan incorporates three output measures related to licensing actions. These are: number of licensing action completed per year; age of the licensing action inventory; and size of licensing action inventory. In January 2002, the goal for the size of the licensing action inventory was restored to the Performance Plan and the goal for the percent of licensing action inventory less than or equal to 1 year old was increased from 95% to 96%.

Other licensing tasks are 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; NRC review of licensee 10 CFR 50.59 analyses and FSAR updates; or other licensee requests not requiring NRC review and approval before it can be implemented by the licensee. The FY 2002 NRC Performance Plan incorporates the output measure of the number of other licensing tasks completed.

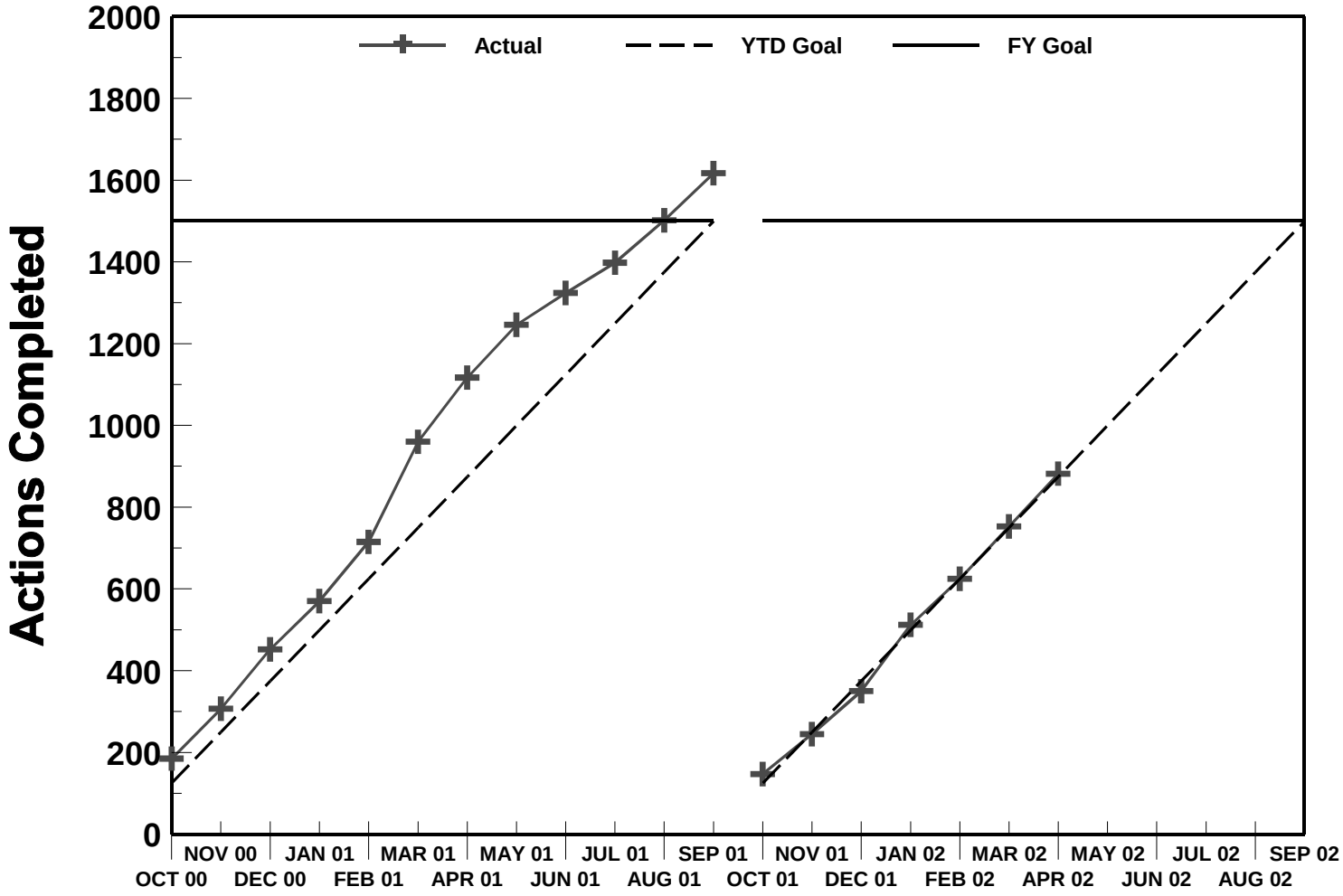
The actual FY 2000 and FY 2001 results, the FY 2002 goals and the actual FY 2002 results, as of April 30, 2002, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	**FY 2000 Actual**	**FY 2001 Actual**	**FY 2002 Goals**	**FY 2002 Actual (thru 04/30/2002)**
Licensing actions completed/year	1574	1617	≥ 1500	882
Age of licensing action inventory	98.3% ≤ 1 year 100% ≤ 2 years	96.9% ≤ 1 year 100% ≤ 2 years	96% ≤ 1 year 100% ≤ 2 years	95% ≤ 1 year 100% ≤ 2 years
Size of licensing action inventory	962	877	1000	867
Other licensing tasks completed/year	1100	523	≥ 350	253

The following charts demonstrate NRC's FY 2002 trends for the four licensing action and other licensing task output measure goals.

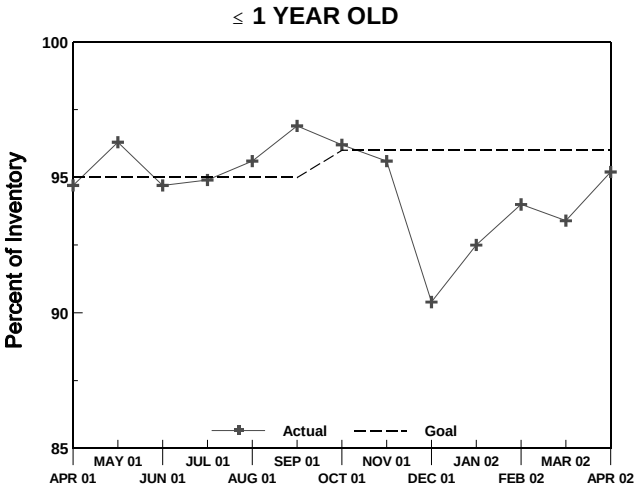
Nuclear Reactor Safety - Reactor Licensing

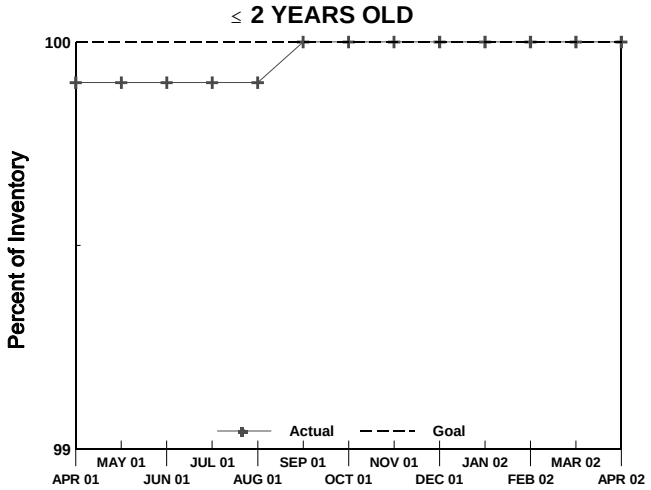
Performance Plan Target: Completed Licensing Actions



Nuclear Reactor Safety - Reactor Licensing

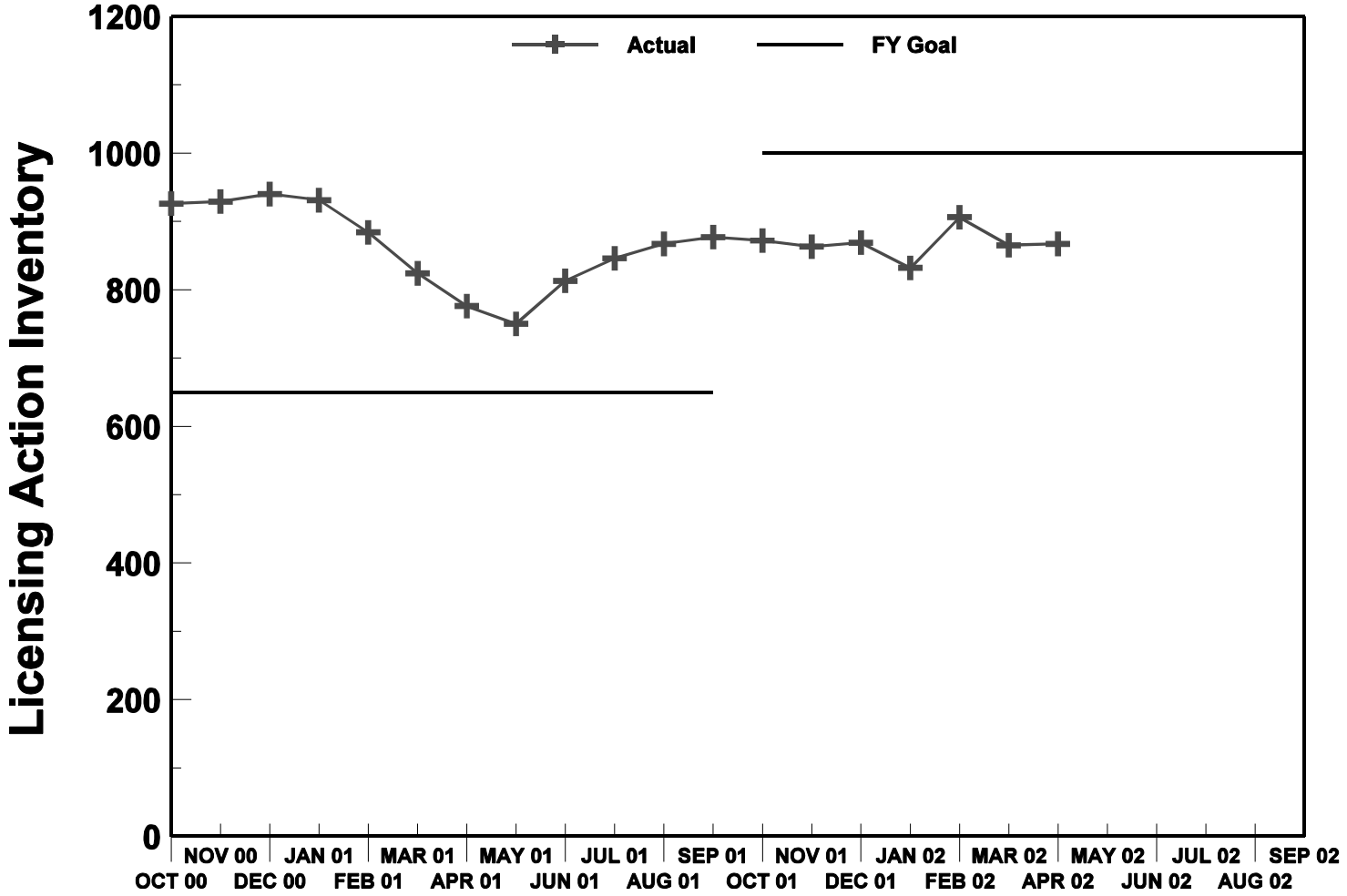
Performance Plan Target: Age of Licensing Action Inventory





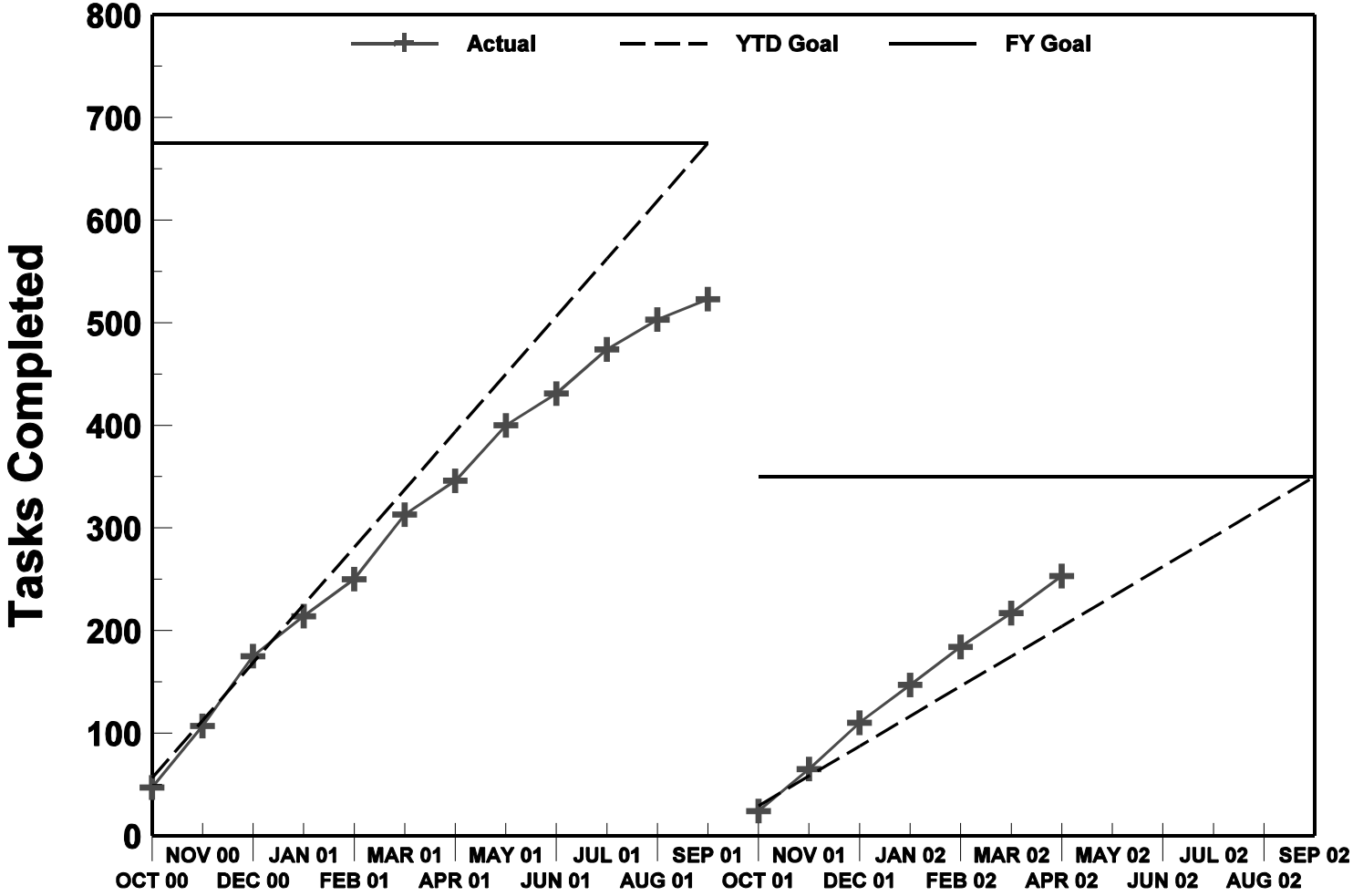
Nuclear Reactor Safety - Reactor Licensing

Performance Plan: Size of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Turkey Point, Units 3 and 4, Renewal Application

The staff issued the completed safety evaluation report in February 2002. The final supplemental environmental impact statement was issued in January 2002. The Commission is expected to approve the staff's recommendation to renew the operating license for Turkey Point Nuclear Plant Units 3 and 4 for an additional 20 years in June 2002.

Surry, Units 1 and 2, and North Anna, Units 1 and 2, Combined Renewal Applications

The staff issued the draft supplemental environmental impact statement in April 2002 for Surry and will issue North Anna's in May 2002. The safety evaluation report identifying any open items is to be issued in June 2002.

McGuire, Units 1 and 2, and Catawba, Units 1 and 2, Combined Renewal Applications

Responses to environmental requests for additional information were received in February 2002 and the staff is currently preparing the draft supplemental environmental impact statement. Responses to the safety requests for information were received in April 2002 and the staff is currently preparing the safety evaluation report and identifying any open items.

Two petitions were received requesting a hearing on the renewal of the McGuire and Catawba licenses, and by Commission Order, an Atomic Safety and Licensing Board (ASLB) was established. In a Memorandum and Order issued January 24, 2002, the ASLB ruled that both petitioners have standing and concluded that admissible contentions had been proffered. One contention relating to terrorism risks was referred to the Commission for its consideration. The Commission issued an Order (CL1-02-14) on April 12, 2002, agreeing with Duke and the NRC staff's appeal that the mixed oxide (MOX) contention is inadmissible and therefore reversed the MOX ruling in ASLB's decision (LBP-02-04). The Order also deferred consideration of the severe accident mitigation alternatives and terrorism issues.

Peach Bottom, Units 2 and 3, Renewal Application

The Peach Bottom renewal application is currently under review. Responses to the environmental requests for additional information were received in January 2002. Safety requests for additional information were issued by March 2002 and the responses are due by May 2002.

St. Lucie, Units 1 and 2, Renewal Application

The staff shortened the review schedule to 25 months since no hearing requests were received. The staff completed the safety scoping and screening audit and the public environmental scoping meeting in April 2002. Environmental requests for additional information are scheduled to be issued by May 2002 and the safety requests by July 2002.

Fort Calhoun Renewal Application

On January 11, 2002, the NRC received an application for renewal of the Fort Calhoun operating license. The applicant submitted supplemental information to its application on April 5, 2002. After reviewing the additional information, the staff issued on April 16, 2002, a notice of determination of acceptability and sufficiency for docketing, proposed review schedule, and an opportunity for a hearing.

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, the Nuclear Regulatory Commission staff completed its preparation for adjudicatory proceedings before the Atomic Safety and Licensing Board (ASLB). On April 22, 2002, the adjudicatory proceedings began in Salt Lake City, Utah. Staff from the Office of the General Counsel, the Office of Nuclear Material Safety and Safeguards, and the Office of Nuclear Reactor Regulation is participating in the hearings. The staff is being supported by its technical assistance contractors from the Center for Nuclear Waste Regulatory Analysis, Oak Ridge National Laboratory, and Sandia National Laboratory. The staff is also being supported by representatives of the Department of Interior's Bureau of Land Management and the U.S. Surface Transportation Board.

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	Mar 2002	0	0	0	0	0
	FY 2002 YTD	0	0	0	0	0
	FY 01 Total	0	0	0	0	0
	FY 00 Total	0	0	0	0	0
Severity Level II	Mar 2002	0	0	0	0	0
	FY 2002 YTD	0	0	0	0	0
	FY 01 Total	0	1	0	0	1
	FY 00 Total	1	2	0	0	3
Severity Level III	Mar 2002	0	0	0	0	0
	FY 2002 YTD	2	0	0	0	2
	FY 01 Total	1	1	1	1	4
	FY 00 Total	5	0	4	4	13
Severity Level IV	Mar 2002	0	0	0	0	0
	FY 2002 YTD	0	0	2	0	2
	FY 01 Total	1	0	2	1	4
	FY 00 Total	4	1	3	5	13
Non-Cited Severity Level IV & Green	Mar 2002	26	0	29	0	55
	FY 2002 YTD	130	64	119	68	381
	FY 01 Total	279	105	201	139	724
	FY 00 Total	313	190	289	258	1050

*Numbers of violations are based on enforcement action tracking system (EATS) 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.

****** Violation totals for Regions II & IV reflect a shift from a 6 week inspection period to a quarterly inspection period.

	Escalated Reactor Enforcement Actions Associated with the Revised Reactor Oversight Process					
		Region I	Region II	Region III	Region IV	Total
NOVs related to white, yellow or red findings	Mar 2002 -Red	0	0	0	0	0
	-Yellow	0	0	0	0	0
	-White	0	0	0	3	3
	FY 2002 YTD	1	1	1	4	7
	FY 01 Total	8	4	4	3	19
	FY 00 Total	6	1	0	0	7

Description of Significant Actions taken in March 2002

Nebraska Public Power District (Cooper) EA-01-298

On March 26, 2002, a Notice of Violation was issued for a violation associated with a White SDP finding involving operator requalification examinations. The violation was based on the licensee's practice that compromised the integrity of the requalification biennial written examinations.

Nebraska Public Power District (Cooper) EA-01-231

On March 1, 2002, a Notice of Violation was issued for two violations associated with two white SDP findings involving Cooper's emergency plans. The first violation cited the licensee's failure to notify State and local government agencies within the required time following the declaration of an alert. The second violation cited the failure of the licensee's onsite emergency plan to provide timely augmentation of response capabilities, including recurring problems in activating the automated notification system and staffing the emergency response facilities in a timely manner.

VIII. Power Reactor Security Regulations

In response to the terrorist attacks on September 11, 2001, the NRC and the nuclear industry have taken a number of actions to ensure the security at nuclear power plants. Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC advised nuclear power plant licensees to go to the highest level of security (i.e., Level 3), and all promptly did so.

For the longer term, the Chairman with the full support of the Commission has directed the NRC staff to thoroughly reevaluate the NRC safeguards and security programs. This

reevaluation is a comprehensive analysis involving all aspects of the agency's safeguards and security programs.

On February 25, the NRC issued Orders to all 104 commercial nuclear power plants to implement interim compensatory security measures for the current threat environment. On March 25, the NRC issued an Order to the Honeywell International, Inc. uranium conversion facilitated located in Metropolis, Illinois. Some of the requirements in the Orders formalize a series of security measures that NRC licensees had taken in response to advisories issued by the NRC following the September 11 terrorist attacks. Additional security enhancements, which have emerged from the NRC's on-going comprehensive security review, are also spelled out in the Orders. The requirements will remain in effect until such time as the Commission determines that the level of threat has diminished, or that other security changes are needed following a comprehensive re-evaluation of current safeguards and security programs.

The NRC is currently considering the need to issue Orders to all other licensees to put actions taken in response to advisories in the customary regulatory framework.

The NRC continues to interact with the FBI, other intelligence and law enforcement agencies, the Department of Defense, and the Office of Homeland Security to ensure any changes to the NRC's programs are informed by pertinent input from all relevant U.S. agencies.

IX. Power Uprates

The staff has assigned power uprate license amendment reviews a high priority. The staff considers power uprate applications among the most significant licensing actions and is, therefore, conducting power uprate reviews on accelerated schedules.

Licensees have been applying for and implementing power uprates since the 1970s as a way to increase the power output of their plants. The staff has been conducting power uprate reviews since then and to date, has completed 79 such reviews. Over 10,800 MWt (3600 MWe) or an equivalent of over three nuclear power plant units has been gained through implementation of power uprates at existing plants. During the month of April, the staff completed reviews of five power uprate applications, one 7.5 percent extended power uprate application for Arkansas Nuclear One Unit 2, two 1.4 percent measurement uncertainty recapture power uprate applications for South Texas Units 1 and 2, and two 1.3 percent measurement uncertainty recapture power uprate applications for Sequoyah Units 1 and 2. During the month of April, the staff received two applications for measurement uncertainty recapture power uprates of 1.4 percent. The staff currently has 7 plant-specific applications and two General Electric Nuclear Energy topical reports for power uprates under review. The staff has assigned these reviews a high priority.

The staff conducted a survey in January 2002 to obtain information regarding industry's plans related to power uprate applications. The survey requested information for planned power uprates over the next 5 years. Based on this survey and information obtained since the survey, licensees plan to submit 44 additional power uprate applications in the next 5 years. These include 27 measurement uncertainty recapture power uprates (i.e., power uprates less than 2 percent), 3 stretch power uprates (i.e., power uprates up to about 7 percent), and 14 extended power uprates (i.e., power uprates greater than about 7 percent). Planned power uprates are

expected to result in an increase of over 5000 MWt (1600 MWe) (equivalent to more than one large nuclear power plant unit). Licensees also indicated that they are currently studying the feasibility of power uprates for eight units. In addition, the staff expects significant interest by pressurized water reactor licensees in large power uprates as a result of ongoing work by pressurized water reactor vendors. The staff will utilize this information for future planning.

Identical letter sent to:

The Honorable Joe Barton, Chairman
Subcommittee on Energy Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative Rick Boucher

The Honorable Sonny Callahan, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515
cc: Representative Peter J. Visclosky

The Honorable Harry Reid, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510
cc: Senator Pete V. Domenici

The Honorable W.J. “Billy” Tauzin, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative John D. Dingell

The Honorable James M. Jeffords, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator Bob Smith

The Honorable Pete V. Domenici
United States Senate
Washington, D.C. 20510

The Honorable Harry Reid, Chairman
Subcommittee on Transportation, Infrastructure
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator James M. Inhofe