



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8931

August 19, 2009

MEMORANDUM TO: Joseph W. Shea, Director
Division of Fuel Facility Inspection

Daniel H. Dorman, Director
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards

FROM: Russell A. Gibbs, Team Leader /RA/
Revised Fuel Cycle Oversight Process
Division of Fuel Facility Inspection

SUBJECT: PUBLIC MEETING BETWEEN THE U.S. NUCLEAR
REGULATORY COMMISSION AND NUCLEAR ENERGY
INSTITUTE AND FUEL CYCLE LICENSEE REPRESENTATIVES
CONCERNING THE REVISED FUEL CYCLE OVERSIGHT
PROCESS

On July 28-30, 2009, the U.S. Nuclear Regulatory Commission (NRC) staff met with representatives of fuel cycle facility licensees and certificate holders and the Nuclear Energy Institute (NEI) concerning the Revised Fuel Cycle Oversight Process (RFCOP). Enclosed is a list of the meeting attendees.

Introduction

The notice for this meeting was issued on July 7, 2009, and was posted on the NRC's public web page under the Agencywide Document Access and Management Systems (ADAMS) accession number ML091870092. The notice was also a meeting handout. Additional handouts are enclosed which included NRC presentation material and information provided by licensee representatives regarding the definition of a performance deficiency (see ADAMS accession number ML092180462). The issues discussed in the meeting are outlined below by topic area. Members of the public asked questions that were answered by NRC representatives at various points in the meeting. Licensee representatives requested that the NRC send draft documents to NEI who would coordinate licensees' comments.

Enclosure: As stated

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Process/Regulatory Framework & Cornerstones

There was general agreement from licensee representatives that the RFCOP diagram and regulatory framework were appropriate, recognizing that there was still considerable developmental work needed. The basis for the work will be documented in the RFCOP basis document.

Licensee representatives questioned whether fire protection should be considered as a cornerstone given that it could be viewed as an initiating event. An NRC representative stated that NRC staff had also questioned this, and the NRC is reviewing this to determine whether to continue with fire protection as a cornerstone. Licensee representatives also provided comments on the proposed NRC definitions for chemical process safety and criticality safety cornerstones. In response to licensee representatives' questions, an NRC representative discussed how elements of the oversight program would work together considering that each of these cornerstones are evaluated in the Integrated Safety Analysis (ISA).

A licensee representative asked, given the differences in security among the fuel cycle facilities, if the proposed cornerstone for information security should be considered as a cornerstone. An NRC representative stated that the NRC recognized differences in regulatory requirements for information security among licensees, and that information security should be considered a cornerstone to be developed in the future as more is learned about the potential vulnerabilities.

Performance Deficiency

A licensee representative provided a revised definition of a "performance deficiency" and comments on the earlier NRC proposed definition of a "performance deficiency" (see ADAMS accession number ML0921806841). An NRC representative stated that the NRC would review the licensees' proposal and provide feedback.

A licensee representative asked that if a performance deficiency impacted more than one cornerstone, would it impact the NRC's conclusions in both cornerstones. An NRC representative stated that the performance deficiency will be associated only with the one cornerstone where it would be most affected from a safety and/or security perspective and that it would not be "double counted" in the NRC's assessment of licensee performance.

Significance Determination Process

An NRC representative explained how the Significance Determination Process (SDP) process currently works in the NRC's Reactor Oversight Process (ROP) to show how the process might be implemented for fuel cycle facilities. An NRC representative discussed examples of fuel cycle facility emergency preparedness (EP) inspection findings, showing how the proposed EP SDP could be used to determine the risk significance of the findings. There were discussions of the basis of an SDP for criticality safety. An NRC representative agreed with a licensee representative's suggestion that an SDP for criticality safety could potentially form the structure for all ISA-related SDPs. A licensee representative suggested that the surrogate for risk in the RFCOP could be the performance criteria in Title 10 of the *Code of Federal Regulations* (10 CFR) Part 70.

A licensee representative suggested that the proposed risk assessment tool for fuel cycle facilities, similar to the reactor "phase 2" notebooks, which are used to determine the risk of inspection findings, might not be used frequently and questioned whether they would be worth

the resources to develop them. The representative suggested that the NRC instead use the ISA. An NRC representative stated that, based on NRC review of past inspection findings, the NRC also concluded that phase 2 notebooks as used in the ROP would not be prudent.

Assessment Program

A licensee representative suggested that the proposed Action Matrix include a category for a good licensee performer who would receive a level of inspection below the baseline inspection program requirements. An NRC representative stated that the baseline inspection program was defined as the minimum to be conducted at a licensed facility with acceptable safety and security performance. Supplemental inspections would be done for licensees with degraded cornerstones. An NRC representative noted that NRC planned to assess, approximately every two years, if the baseline inspection program will need any changes based on experience. These changes would apply to all licensees, not individual licensees.

A licensee representative suggested that the NRC consider use of colors different from those used in the ROP because of the much lower risk from fuel cycle facilities, i.e. the highest risk is so different and "red" might imply similar risk when compared to power reactors. An NRC representative stated that some aspects of fuel cycle facility operations could involve more risk to individuals than power reactors.

Performance Indicators

Potential EP Performance Indicators (PIs) were discussed. An NRC representative clarified to the industry that participation in the PI portion of the RFCOP would be voluntary on the part of licensees. A licensee representative stated that licensees were not prepared to develop PIs this calendar year. The NRC representative stated that NRC staff will discuss with the industry in the near future, attributes that might be considered for a PI program and that the NRC would present possible PIs to the industry as work is completed for each cornerstone. An NRC representative stated that the NRC planned to continue development of the other key areas of the RFCOP even if the NRC decides to delay incorporating a PI program into the RFCOP. The NRC encouraged the industry to undertake the development of a PI program given the program being voluntary.

Inspections

An NRC representative outlined the NRC inspection program documents to be developed. An NRC's representative stated that the NRC did not intend to set regulatory requirements for corrective action programs (CAP) through inspection, but rather corrective action program inspections would evaluate effectiveness of program elements such as problem identification, evaluation and resolution. An NRC representative also acknowledged the need to revise the inspection program if changes were made to the baseline inspections such as the addition of the CAP procedure.

Project Plan

At the request of licensees, NRC representatives discussed the draft RFCOP project schedule. Licensee representatives expressed concerns about their availability of resources to comment on RFCOP products as shown on the project schedule because of other NRC documents that would be issued for comment before the end of the year (e.g., draft NUREG-1520, draft regulatory guides, etc.). Licensee representatives requested that the NRC evaluate the

proposed project schedule in light of the schedule for comment on these other documents. An NRC representative stated that the RFCOP schedule would consider other documents to be issued for comment.

NRC representatives stated that the RFCOP project schedule (see ADAMS accession number ML0921805090) would be made public. In response to licensee requests, an NRC representative stated that, to the degree possible, the NRC would give stakeholders 30 days to comment on draft documents, would make documents to be discussed at a meeting available two weeks before the meeting, and resolve comments from stakeholders and provide feedback within three weeks.

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Meeting Attendees at Region II Office

Tuesday

Dennis Damon, NRC
Randy Shackelford, NFS
Jennifer Wheeler, NFS
Robert Link, AREVA
Doug Yates, MOX Services
Charles Vaughan, NEI
Doug Fogel, USEC PORTS
Felix Killar, NEI
Russell Gibbs, NRC
Michael Raddatz, NRC
Marissa Bailey, NRC
Steven Vias, NRC
Douglas Collins, NRC

Alphonsa Gooden, NRC
Scott Murray, GE Hitachi
Candace Clemons, NRC
José Díaz-Vélez, NRC
Rudolph Bernhard, NRC
Jennifer Foster, NRC
Omar López, NRC
Daren E. Mays, USEC ACP
Joey Ledford, NRC
Dan Rich, NRC
Joseph Shea, NRC
Robert Kahler, NRC

Wednesday

Dennis Damon, NRC
Randy Shackelford, NFS
Jennifer Wheeler, NFS
Robert Link, AREVA
Tim Tate, AREVA
Doug Yates, MOX Services
Mike Boren, USEC
Charles Vaughan, NEI
Doug Fogel, USEC PORTS
Felix Killar, NEI
Russell Gibbs, NRC
Michael Raddatz, NRC

Marissa Bailey, NRC
Steven Vias, NRC
Alphonsa Gooden, NRC
Lori Butler, GE Hitachi
Scott Murray, GE Hitachi
Candace Clemons, NRC
José Díaz-Vélez, NRC
Rudolph Bernhard, NRC
Jennifer Foster, NRC
Omar López, NRC
Robert Kahler, NRC
Douglas Collins, NRC

Thursday

Dennis Damon, NRC
Randy Shackelford, NFS
Jennifer Wheeler, NFS
Robert Link, AREVA
Doug Yates, MOX Services
Mike Boren, USEC
Tracey Henson, USEC
James Bazley, MOX Services
Calvin Manning, AREVA
Charles Vaughan, NEI
Doug Fogel, USEC PORTS
Felix Killar, NEI
Russell Gibbs, NRC
Michael Raddatz, NRC
Marissa Bailey, NRC
Steven Vias, NRC
Douglas Collins, NRC
Alphonsa Gooden, NRC
Lori Butler, GE Hitachi

John Zino, GE Hitachi
Scott Murray, GE Hitachi
Candace Clemons, NRC
José Díaz-Vélez, NRC
Rudolph Bernhard, NRC
Jennifer Foster, NRC
Omar López, NRC
Douglas Collins, NRC

Meeting Attendees via Phone/VTC

Tuesday

Thomas Young, FSME
Janet Schlueter, NEI
Tracey Henson, USEC
Randy Woods, Platts
Park Overall, ECAN/ public
Dan Dorman, NMSS
Jonathan DeJesus, NMSS
Dennis Morey, NMSS
Linda Modica, Sierra Club/Public
Michael Tschiltz, NMSS
Patricia Silva, NMSS
June Cai, OE

Wednesday

Thomas Young, FSME
Janet Schlueter, NEI
Linda Modica, Sierra Club/Public
Park Overall, ECAN/ public
Barbara O'Neal, ECAN/Public

Thursday

Thomas Young, FSME
Janet Schlueter, NEI
Gerard Couture, Westinghouse
Jerry Head, GE Hitachi
Dennis Morey, NMSS
Linda Modica, Sierra Club/Public
Park Overall, ECAN/Public