

November 16, 2012

MEMORANDUM TO: Sheena Whaley, Acting Chief
Programmatic Oversight and
Regional Support Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

FROM: John H Sulima, Project Manager /RA/
Programmatic Oversight and
Regional Support Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: SUMMARY OF MEETING BETWEEN THE U.S. NUCLEAR
REGULATORY COMMISSION'S STAFF, NUCLEAR ENERGY
INSTITUTE, AND FUEL CYCLE FACILITIES
REPRESENTATIVES CONCERNING REVISIONS TO THE FUEL
CYCLE OVERSIGHT PROCESS

On October 31, 2012, the U.S. Nuclear Regulatory Commission's (NRC's) staff met with representatives of the Nuclear Energy Institute (NEI) and fuel cycle licensees and certificate holders to discuss the development of the Revised Fuel Cycle Oversight Process (RFCOP). The enclosure lists the meeting attendees.

The notice for this public meeting, a draft NUREG on the acceptability of corrective action programs for fuel cycle facilities, and a paper discussing the options on how to characterize inspection results were issued on October 18, 2012, and were posted on the NRC's public Web page under the Agencywide Documents Access and Management System (ADAMS) Accession Number ML12289A108. The meeting slides were published on October 31, 2012, under ADAMS Accession Number ML12305A044 and were provided to the meeting attendees.

Opening Remarks

The NRC staff briefly discussed the meeting agenda (Slide 2) and explained the meeting objective and expected outcomes (Slide 3). The NEI representative asked if the NRC staff had received any feedback on the RFCOP Project Plan from the Commission. The NRC staff mentioned that it had not received any feedback from the Commission and that there is still interest within the Commission. Also, the NRC staff mentioned that it was good to have a

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Project Plan because it would inform how the project could be reprogrammed if resources are reduced. Subsequently, the NRC staff discussed which tasks of the RFCOP Project Plan were being addressed in the public meeting (see Slide 4 and the handout found using ADAMS Accession Number ML12167A232).

Draft NUREG on Acceptability of Corrective Action Programs for Fuel Cycle Facilities

The NRC staff explained the background and context of the draft NUREG (Slides 5-6). An industry participant asked whether the Corrective Action Program (CAP) initiative is voluntary. The NRC staff mentioned that the initiative is voluntary and that it would be beneficial for all licensees to have similar elements for a CAP.

The NRC staff mentioned that it wanted to focus on the acceptance criteria contained in the draft NUREG (Slides 7-12) and that it would compare the acceptance criteria to a document provided in a letter, dated March 29, 2011, from NEI to the NRC staff related to the "Proposed Elements of an Effective Corrective Action Program" (ADAMS Accession Number ML110900107). The industry document related to CAPs was provided as a handout.

On the first acceptance criterion, industry expressed concern about the use of the "licensee's quality assurance (QA) organization" because not all licensees use the QA organization to verify the CAP procedures, and suggested NRC change the language to be more generic. The NRC staff mentioned that it would consider the suggestion and that the intent was that the licensee's organization verifying the CAP procedures should be auditable and independent from the licensee's production organization. Regarding the second acceptance criterion, the licensees questioned the use of the term "condition adverse to quality." The NRC staff responded that the term "condition adverse to quality" was commonly used in CAP jargon, but that it would consider using the term "condition adverse to safety" as suggested in the document provided by industry. Also, the NRC staff mentioned that it was looking for security issues to be treated the same as safety issues, but that the security information should be protected. Therefore, the term should be "conditions adverse to safety or security." Licensees objected to the statement that the facility's management commit to fostering a "no-fault" attitude towards the identification of conditions adverse to safety or security because that was a behavior issue that could not be inspected. The NRC staff said that it would consider the comment and establish another way that the acceptance criterion should read.

On the third acceptance criterion, the licensees mentioned that sometimes the root causes are called primary causes. On the fourth acceptance criterion, the licensees suggested that the language related to the licensee's QA organization involvement in documenting its concurrence with the adequacy of corrective actions should be made more generic. The NRC staff agreed with the suggestion. Finally, the licensees suggested dividing the fifth acceptance criterion into two; one for the assessment of corrective action effectiveness and the other for the assessment of the CAP's effectiveness. The NRC staff agreed with this suggestion. Regarding the assessment of corrective actions, licensees mentioned that the language seemed to indicate that an assessment would be necessary for each corrective action. The NRC staff clarified that the assessment of corrective action effectiveness would be necessary for significant conditions adverse to safety or security and mentioned that it would revise the language in the draft NUREG to reflect this change. On the assessment of the CAP's effectiveness, a licensee had an issue with the use of the word "maintains" and suggested using the word "retains." The NRC staff mentioned that it would consider the suggestion.

To conclude the discussion, the NRC staff described the next steps for the draft NUREG as discussed in the RFCOP Project Plan. One of the steps is the publication of the draft NUREG in a *Federal Register* Notice to reach a broader audience for review of the NUREG.

Terminology to be Used for Characterization of Inspection Results and Its Definition

The NRC staff discussed (Slides 13-16) the position paper that was published with the notice for this public meeting. The focus of the discussion was on the recommendation and why the recommendation was made. The NRC staff mentioned that it recommended maintaining the current terminology used in Inspection Manual Chapter 0616, "Fuel Cycle Safety and Safeguards Inspection Reports" to characterize inspection results (i.e., noncompliance). Industry representatives asked how this fit in the process. The NRC staff responded that the term "noncompliance" would replace the term "performance deficiency" in the framework that the Commission approved in the staff requirements memorandum for SECY-11-0140, "Enhancements to the Fuel Cycle Oversight Process." Another industry representative asked if this was the entry point to the significance determination process. The NRC staff said that it was the entry point to the significance determination process after completing the process of determining if the noncompliance is greater than minor. In other words, if the noncompliance is determined to be greater than minor, then it would be evaluated in the significance determination process. In general, the industry representatives seemed to be in agreement with the position paper's recommendation.

Status on the Improvements to the Fuel Cycle Inspection Program

The NRC staff discussed its initial thinking on the improvements for the inspection program (Slides 17-18). A licensee representative expressed concern because he did not hear the term "risk-informed performance-based." The NRC staff mentioned that while it did not include the term, the improvements-to-inspection-program team is considering it. For example, the evaluation of whether inspection hours/frequency should be modified is a performance-based attribute. As part of the discussion of next steps, the NEI representative asked whether the NRC staff would meet with industry prior to releasing the draft inspection procedures (IPs) for public comment. The NRC staff responded that it normally does not release draft IPs for public comment, but in this case it included the release of the draft IPs in the RFCOP Project Plan to increase the openness of the project, and that it would consider the suggestion made by NEI.

Enclosure:
Meeting Attendees

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Meeting Attendees

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OFFICE	NRR/DRA/APLA	NMSS/FCSS/PORSB	NMSS/FCSS/FMB	NMSS/FCSS/PORSB
NAME	JDeJesus	JSulima	LAllen	SWhaley
DATE	11/6/2012	11/9/2012	11/14/2012	11/16/2012

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SIGN-IN SHEET
Public Meeting on the Revised Fuel Cycle Oversight Process
Wednesday, October 31, 2012
1:00 p.m. – 4:00 p.m.
11545 Rockville Pike, Room T-7A01, Rockville, MD 20850

Name (Please Print)	Affiliation (Please Print)
Jonathan DeJesus	NRR/DRA/APLA
John (Jack) Sulima	NMSS/FCSS/TSB
Sheena Whaley	NMSS/FCSS/TSB
F. Paul Peduzzi	NSIR
Thomas Marenchin	OE
Larry Campbell	NMSS/FCSS
John Kinneman	NMSS/FCSS
Janet Schlueter	Nuclear Energy Institute
VTC	
Tony Gody	RII/DFFI
Alan Blamey	RII/DFFI
David Hartland	RII/DFFI
Marvin Sykes	RII/DFFI
Omar Lopez	RII/DFFI
Nicole Coover	RII/DFFI
Telephone Bridge Line	
Jennifer Fisher	RII/DFFI
Robert Link	AREVA – Richland
Calvin Manning	AREVA – Richland
Scott Murray	Global Nuclear Fuel
Rusty Robertson	Honeywell
Lidia Litinsky	Honeywell
Douglas Yates	Shaw AREVA MOX Services
Michael Boren	USEC – Paducah
Gerard Couture	Westinghouse