INFORMATION REPORT

August 7, 2003

SECY-03-0132

| <u>For</u> : | The Commissioners |
|------------------|------------------------------------------------------------------------|
| <u>From</u> : | William M. Dean, Assistant for Operations, Office of the EDO |
| <u>Subject</u> : | SECY-03-0132 WEEKLY INFORMATION REPORT - WEEK ENDING AUGUST 1, 2003 |

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| Nuclear Reactor Regulation Nuclear Material Safety and Safeguards Nuclear Regulatory Research Nuclear Security and Incident Response General Counsel Administration Chief Information Officer Chief Financial Officer Human Resources Small Business & Civil Rights Enforcement State and Tribal Programs Public Affairs International Programs Office of the Secretary Region I Region II Region III Region IV Executive Director for Operations Congressional Affairs Advisory Committee on Nuclear Waste | А В С D 些 F G ╫ L ゙」 Ҟ ҆ ҆ ҆ ҆ ҆ М Ҟ О Ҏ Ҏ Ҏ Ҏ Ⴓ ҄ Я Ⴝ |
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*No input this week.

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William M. Dean Assistant for Operations, OEDO

Office of Nuclear Reactor Regulation Items of Interest Week Ending August 1, 2003

<u>Division of Reactor Safety/Division of Reactor Projects (DRS/DRP) – Division Directors Meeting</u> <u>Summary</u>

On July 23-24, 2003, the Division of Inspection Program Management staff hosted a meeting of the Regional DRS/DRP Division Directors to discuss a wide variety of topics including program office activities and initiatives, inspector training and qualifications, regional centers of excellence, identification of substantive cross-cutting issues, problem identification and resolution inspections, security cornerstone issues, Efficiency Focus Group activities, status of mitigating systems performance index pilot activities, issues with scrams with the loss of normal heat removal performance indicator and projections for calendar year 2004 baseline inspection completion.

Mitigating Systems Performance Index (MSPI) Working Group Meeting

On July 23-24, 2003, Division of Inspection Program Management staff conducted a 2-day public meeting on the mitigating systems performance index (MSPI) pilot program. MSPI meeting participants included regional and headquarters staff, "Inside NRC" reporters, Dave Lochbaum of the Union of Concerned Scientists, and Nuclear Energy Institute and industry representatives. During the presentation, RES staff discussed the fundamental risk-informed approach of the MSPI, and proposed incorporation of performance-based "frontstop" and "backstop" limits to address the concern of too few or too many failures for the performance color designation to become "WHITE." The technical basis for the baseline performance, and other aspects of the incorporation of common cause contribution to equipment importance, and other aspects of the mathematical algorithm for the MSPI were also presented. Finally, the first of several discussions on the status of the "success criteria" for the program implementation was held. All stakeholders agreed that the staff has done a good job in resolving the technical issues, and industry representatives committed to a study of the staff's proposals and to provide feedback by the August meeting. Industry has also agreed to study and discuss implementation issues in upcoming meetings.

NRC Regulatory Issue Summary 2003-13, NRC Review of Responses to Bulletin 2002-01, "Reactor Pressure Vessel Head Degradation and Reactor Coolant Pressure Boundary Integrity" dated July 29, 2003

The NRC is issuing this regulatory issue summary (RIS) to inform addressees of the results of NRC staff's review of the responses to Bulletin 2002-01, "Reactor Pressure Vessel Head Degradation and Reactor Coolant Pressure Boundary Integrity." This RIS also provides information on additional regulatory actions the NRC is considering based on its review of the bulletin responses and recent events at South Texas Unit 1.

Public Meeting on Quad Cities Unit 2 Steam Dryer Failure and Root Cause

On July 25, 2003, a public meeting was held with Exelon Nuclear, General Electric Nuclear Energy (GENE), and the NRC staff. The meeting was held for the licensee to present its root

cause determination of the steam dryer hood failures at the Quad Cities Nuclear Power Station (QCNPS), Unit 2 in June 2002 and June 2003. Exelon and GENE personnel discussed their failure modes and effects analysis, the dryer hood repair evaluation, extent of condition for QCNPS, Unit 2, and the final root cause determination. Although much of the meeting involved GENE proprietary information, a brief non-proprietary presentation was given to the public by the licensee who summarized the key issues and conclusions. At the conclusion of the meeting, some staff questions remained regarding the analyses used by the licensee to evaluate the complex loadings on the steam dryer. On July 29, 2003, telephone conferences with the licensee were conducted for the staff to gain a better understanding of the licensee's modeling assumptions, analysis methods, and the flow-induced pressure loadings used in evaluating the steam dryer failures and repairs. The licensee provided sufficient clarification for the staff on the ability of the modified QCNPS, Unit 2 steam dryer, as well as other reactor internal components and the main steam piping, to withstand extended power uprate (EPU) loading conditions. QCNPS, Unit 2 is in the process of resuming operation at the EPU power level. The staff is continuing to pursue generic implications of the QCNPS, Unit 2 dryer hood failures.

2003 ASME Pressure Vessel and Piping Conference

Representatives from the Division of Engineering (DE) attended the 2003 American Society of Mechanical Engineers (ASME) Pressure Vessel and Piping Conference in Cleveland, Ohio from July 21 through July 24. A DE staff member participated as the chairperson for one session on Aging Management and License Renewal. In addition, DE staff presented a paper on "Effective Approaches for Managing Aging Effects in BWR Reactor Coolant System Components for License Renewal." The DE representatives also attended sessions on pressurized thermal shock (PTS), flaw evaluation, thermal fatigue, and codes and standards. Discussions during these sessions were relevant to ongoing agency issues (e.g., license renewal, PTS reevaluation effort, 10 CFR 50.55a rulemaking). The conference was attended by personnel from U.S. commercial nuclear facilities, technical consultants, U.S. national laboratories, and foreign nuclear government agencies and utilities (particularly France and Japan).

Office of Nuclear Material Safety and Safeguards Items of Interest Week Ending August 1, 2003

48th Annual Meeting of the Health Physics Society

During the week of July 20, 2003, Division of Industrial and Medical Nuclear Safety staff attended the Annual Meeting of the Health Physics Society held in San Diego, California. Staff presented "Key Features of Revised 10 CFR Part 35, Medical Use of Byproduct Material," and "Revision of Requirements for Recognition of Specialty Boards." The Health Physics Society is a nonprofit scientific professional organization whose mission is to promote the practice of radiation safety.

External Event Review of U.S. Enrichment Corporation's Lead Cascade Facility

From July 28-31, 2003, staff from the Division of Fuel Cycle Safety and Safeguards, the Office of Nuclear Regulatory Research, and staff from the Southwest Research Institute (an NRC contractor) visited the Portsmouth Gaseous Diffusion Plant site to gather and review information to assess the impacts of external events on the Lead Cascade facility. The U.S. Enrichment Corporation had submitted its Lead Cascade license application to NRC in February 2003. NRC anticipates completing its Lead Cascade license application review by February 2004.

U.S. Enrichment Corporation's Fourth-Quarter Earnings and Anticipated Completion of Two Gas Centrifuge Deployment Milestones

On July 30, 2003, the U.S. Enrichment Corporation (USEC) announced a net income of \$4.3 million, for the fourth quarter, which ended on June 30, 2003. USEC also indicated that it was on the verge of beginning to manufacture rotors in Oak Ridge, Tennessee, for its gas centrifuge uranium enrichment deployment efforts. It also anticipates submitting a license application to NRC, by August 2004, to construct and operate a \$3.5-million Separative Work Unit commercial gas centrifuge uranium enrichment plant in either Piketon, Ohio or Paducah, Kentucky.

Meeting with National Academies' Transportation of Radioactive Waste Committee

On July 24-25, 2003, the Spent Fuel Project Office (SFPO) participated in the second public meeting of the National Academies' Transportation of Radioactive Waste Committee in Las Vegas, Nevada. The study this Committee has undertaken is a National Academy of Sciences' self-initiated review of the comparative risks entailed by transportation of spent nuclear fuel. Several Federal agencies, including NRC, support this effort. SFPO presented the Baltimore Tunnel Fire and Vulnerability reviews of transportation casks. Because of the classification of the vulnerability studies, the presentation was more of a general overview referencing the use of realistic analyses and did not address specific events nor results. The State of Nevada made several presentations to the Committee and informed the Committee that it will be issuing a critical report on NUREG/CR-6672, "Reexamination of Spent Fuel Shipment Risk Estimates." In addition, representatives from Nye and Clark counties, the towns of Beatty and Caliente, local Native American tribes, and various organizations opposed to the Yucca Mountain project made numerous presentations. Although opposition to the project was clearly apparent, many of the presenters spoke neutrally about the project and focused on solutions for transportation of spent nuclear fuel to Yucca Mountain. All the presenters wanted the Department of Energy (DOE) to

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reach prompt decisions on the transportation mode and routes. DOE's preferred mode of transportation relies primarily on rail, as opposed to trucks.

Proposed Rule Signed by the Executive Director for Operations

On August 1, 2003, the Executive Director for Operations approved a proposed rule which revises 10 CFR Part 72.214, "List of approved spent fuel storage casks," revising the Transnuclear, Inc., Standardized NUHOMS[®]-24P, -52B, and -61BT cask system listing within the list of approved spent fuel storage casks. This amendment will add another dry shielded canister (DSC), designated NUHOMS[®]-32PT DSC, to the authorized contents of the Standardized NUHOMS[®]-24P, -52B, and -61BT cask system. This canister is designed to accommodate 32 pressurized water reactor assemblies with or without Burnable Poison Rod assemblies. It is designed for use with the existing NUHOMS[®] Horizontal Storage Module and NUHOMS[®] Transfer Cask under a general license.

Office of Nuclear Regulatory Research Items of Interest Week Ending August 1, 2003

A Survey of Crane Operating Experience at U.S. Nuclear Power Plants from 1968 through 2002, NUREG-1774, July 2003

This assessment was conducted to address Generic Issue 186, "Potential Risk and Consequences of Heavy Load Drops in Nuclear Power Plants." This report describes the results of a detailed review of crane operating experience at United States nuclear power plants. Crane operating experience was obtained from several sources including: actual crane operating experience, licensee event reports, NRC inspection reports, licensee correspondence, and crane vendor reports. The assessment lists the causes and results of documented crane issues, and estimates the probabilities of selected load drop events. To provide additional insights, included in the report are major operating experience reports issued by the New Mexico Environmental Evaluation Group, the Department of Energy, the Department of the Navy, and the California Division of Occupational Safety and Health. The assessment found that crane events are dominated by human performance errors. The operational experience and human performance insights contained in this report can be used to enhance the control of heavy loads to reduce the likelihood of crane accidents, particularly those that have the potential to release radioactive material. This report can also serve as a technical basis for developing, as appropriate, recommendations that may initiate changes to NRC regulatory requirements, programmatic controls, or evaluations of heavy load movements.

Nuclear Energy Institute (NEI) Pressurized Water Reactor Sump Performance Workshop

On July 30, staff members from the Division of Engineering Technology attended the NEI Workshop on PWR Sump Performance (GSI-191) in Baltimore, Maryland. This workshop was attended by over 100 participants representing licensees, vendors, researchers, reactor owners groups, foreign utilities, and NRC staff members from NRR and RES. The agenda included regulatory and industry activities on PWR sump performance, debris generation, transport, accumulation, and proposals for resolution of the issue.

The Office of Nuclear Regulatory Research staff and its contractor presented the research results to date and planned research activities associated with the resolution of GSI-191. The Office of Nuclear Reactor Regulation staff members presented the regulatory activities associated with generic communication and resolution of GSI-191. Industry representatives discussed their experience and proposed techniques for evaluating debris sources and their impact on ECCS performance. There was a healthy exchange of information and discussions among participants on methods to evaluate effects of debris as well as techniques to mitigate those effects. RES staff is working toward publication of Revision 3 of Regulatory Guide 1.82, "Water Sources for Long-Term Recirculation Cooling Following a Loss-of-Coolant Accident" and has scheduled a briefing on this subject to the Advisory Committee on Reactor Safety in September.

Workshop on Accident Precursors: Linking Risk Assessment with Risk Management

Staff from the Office of Nuclear Regulatory Research (RES) attended a workshop on "Accident Precursors: Linking Risk Assessment with Risk Management" on July 17-18, 2003. The workshop was sponsored by the National Academy of Engineering and supported, in part, by a grant from the NRC. The workshop is part of a seven-month project to document and promote industrial and scientific approaches for detecting, analyzing, and benefitting from knowledge of accident precursors. The ensuing report from the workshop will be produced by a committee of experts from the risk management, engineering, and scientific communities and will examine precursor methods and approaches utilized across various industries. Fields represented include nuclear, aviation, chemical, transportation, and health care. Participants of the workshop included former government officials, such as a former NRC chairman, a former NASA administrator, and a former NTSB chairman, as well as current senior executives from NASA, FAA, and Veterans Affairs.

The focus of the presentations and discussions at the workshop was the collection of operating experience data and the processes for analyzing data. Strong similarities in missions and functions were observed between the FAA's Office of System Safety and NRC's Operating Experience and Risk Assessment Branch. The FAA Assistant Administrator for System Safety expressed an interest in sharing approaches with NRC staff. Likewise, NASA has expressed interest in NRC's support in developing an accident sequence precursor program for the Space Shuttle and the International Space Station projects.

Industry Trends Program Public Workshop

Staff from the Office of Nuclear Reactor Regulation (NRR) and the Office of Nuclear Regulatory Research (RES) held a public workshop on July 30, 2003, to discuss a proposed new industry indicator of initiating events as part of the Industry Trends Program (ITP) for operating power reactors. The workshop was held as part of ongoing development of the indicator, called the Baseline Risk Indicator for Initiating Events (BRIIE) [formerly known as the Industry Initiating Event Performance Index (IIEPI)]. Representatives from Nuclear Energy Institute (NEI), the Union of Concerned Scientists, and a utility attended the workshop.

The staff provided an overview of the ITP and explained how industry indicators are used for NRC's annual report to Congress on industry performance. The staff then discussed the proposed new performance indicator for the initiating event cornerstone of safety, how the indicator represented a roll-up of the risk from about 15 initiating events, and how a single indicator could provide a better means of communicating industry performance when reporting to Congress. Although the stakeholders in attendance agreed that monitoring of the trends was the most important part of this particular activity, they expressed some concern that a single indicator could mask trends in the subordinate indicators, and provided input that monitoring of trends in each of the 15 initiating event indicators may be needed as part of the ITP.

Nuclear Security and Incident Response Items of Interest Week Ending August 1, 2003

Preliminary Notifications

- 1. PNO-II-03-012, Rex Healthcare MISSING BRACHYTHERAPY SEEDS.
- 2. PNO-I-03-024, Salem Nuclear Power Station, Unit 1 & 2 ELEVATED TRITIUM LEVELS IN GROUNDWATER NEW INFORMATION.
- 3. PNO-III-03-033, Westinghouse Electric Company SCRAP ZIRCONIUM TUBES SHIPPED TO RECYCLING FACILITY IN CANADA WERE FOUND TO CONTAIN URANIUM FUEL PELLETS.
- 4. PNO-IV-03-036, Arizona Public Service Co. AUTOMATIC REACTOR TRIP OF UNIT 3 DUE TO GRID PERTURBATION.
- 5. PNO-IV-03-037, H&G Inspection OCCUPATIONAL DOSE IN EXCESS OF LIMIT.

Office of Administration Items of Interest Week Ending August 1, 2003

Contract Awards

As a result of a competitive negotiated acquisition, a cost-plus-fixed-fee type contract was awarded to Engineering Mechanics Corporation on July 16, 2003, for technical assistance to the Office of Nuclear Regulatory Research in the assessment of Control Rod Drive Mechanism (CRDM) cracking. The contract is valued at \$684,529, and the period of performance is for 30 months. This acquisition used streamlining methods of simplified evaluation criteria, a source evaluation panel (SEP) of one member, and the waiver of synopsis for research and technical assistance.

As a result of a competitive negotiated acquisition, a cost-plus-fixed fee type contract was awarded to Jack Faucett Associates on July 31, 2003, to provide timely, complete, and accurate camera-ready copy for monthly supplements to the NRC Rules and Regulations. The contract has a one year period of performance with four one-year option periods. The total value of the contract including all options is \$767,356. The contract was awarded using streamlining techniques of two members on the SEP and simplified evaluation criteria.

As a result of a competitive negotiated acquisition, a cost type contract was awarded to Ruland Associates, Inc., on July 30, 2003, for support services to operate the NRC's three computer data centers which currently includes the following primary agency applications: (1) Agencywide Documents Access and Management System (ADAMS), (2) Human Resources Management System (HRMS), (3) Emergency Response Data System (ERDS), (4) Federal Financial System (FFS), (5) Integrated Library System, (6) Public Web and Internal Intranet Sites, (7) Electronic Hearing Docket, (8) Tivoli Backup System with Storetek Silos, (9) Cost Accounting, and (10) National Institute of Health (NIH) Timesharing Services. Specifically, the contractor will provide the necessary personnel to support the minicomputer, server hardware, and application software; and provide updates to the Operations Manual and other associated systems documentation. In addition, the contractor will be required to provide tape back-up for both general files and disaster recovery files for twenty-one (21) remote applications. The total value of the contract including all options is \$3,555,102. The contract was awarded using streamlining techniques of one SEP member, reduced proposal preparation time, and limited proposal pages.

Chief Information Officer Items of Interest Week Ending August 1, 2003

Collaborative Tool Pilot

The Office of the Chief Information Officer (OCIO) just concluded a pilot project with the Office of Nuclear Regulatory Research (RES), the Office of International Programs (OIP), and two groups within the Office of Nuclear Material Safety and Safeguards (NMSS) to investigate the use of intranets.com, a collaborative tool. This off-the-shelf product/service provides document sharing, discussions, group calendars and other features. The Office of Nuclear Regulatory Research (RES) used the tool to share research results, documents and other information with MIT. Staff from the Office of Nuclear Material Safety and Safeguards (NMSS) used it on its Webbased Licensing project and also as a tool to communicate with agreement states regarding general licensees. Staff from the Office of International Programs (OIP) used it to allow traveling NRC staff to access data via the Internet. At the conclusion of the pilot, all four participants were generally positive about the service. NMSS and RES plan to continue using intranets.com. OCIO is continuing to assess the functionality of collaborative tools from an enterprise perspective.

Personal E-Mail Spam Filter Nears End of Pilot Testing

For the past month, OCIO has been testing a SPAM filtering program that allows users to filter out unwanted or unsolicited e-mails. The program is called GUAM (GroupWise Users' Anti-Spam Manager) and has proven to be effective and easy to use. OCIO plans to deploy GUAM to selected users prior to rolling it out to the agency.

<u>Freedom of Information and Privacy Act Requests received during the period of</u> July 25 through July 31, 2003:

| I.M.P.A.C. listing | FOIA/PA-2003-0360 |
|--------------------------------------------------------------------------------------------------------------------|-------------------|
| Investigations on named individual | FOIA/PA-2003-0361 |
| OI investigators, deputized, how many occurrences from 1980 - 2002 | FOIA/PA-2003-0362 |
| NRC Technical Training Center manual, "Fuel Cycle Technology," November 1995, availability and cost | FOIA/PA-2003-0363 |
| Material License Tracking System, specific codes | FOIA/PA-2003-0364 |
| Hematite Nuclear Fuels facility, MO, historical meteorological data | FOIA/PA-2003-0365 |
| Chinese nuclear weapons program, 1981-1984 - Referral by Dept. of State | FOIA/PA-2003-0366 |
| Reactor Oversight Process, inspection activities and regulatory violations at nuclear power plants, 1990 - present | FOIA/PA-2003-0367 |

Office of Human Resources Items of Interest Week Ending August 1, 2003

| Arrivals | | | |
|----------------------------|--------------------------------|--------|--|
| BIGONESS, Jerome* | CRIMINAL INVESTIGATOR | RIII | |
| CRUZ-PEREZ, Zahira | NUCLEAR SAFETY INTERN | NRR | |
| HERNANDEZ-QUINONES, Samuel | NUCLEAR SAFETY INTERN | NRR | |
| MORGAN, Nadiyah | NUCLEAR SAFETY INTERN | NRR | |
| O'BRYAN, Philip | PROJECT ENGINEER | RII | |
| ROMERO, Steve* | CRIMINAL INVESTIGATOR | RIV | |
| ROWLEY, Jonathan | GENERAL ENGINEER | NRR | |
| SKARPAC, Erick | NUCLEAR SAFETY INTERN | NSIR | |
| Retirements | | | |
| BLACKSTOCK, Veronica | BUDGET ASSISTANT | RES | |
| ODAR, Fuat | SR REACTOR SYSTEMS ENGINEER | RES | |
| PETTIJOHN, Samuel | SR. NUCLEAR MATERIALS ANALYST | NMSS | |
| SCHIFFIGENS, John | RELIABILITY AND RISK ANALYST | NRR | |
| TATE, Craig | CRIMINAL INVESTIGATOR | OI/RII | |
| Departures | | | |
| CONSAUL, Ryan | MGMT ANALYST (Student Trainee) | NRR | |
| JENSEN-OTSU, Tomoko | NUCLEAR SAFETY INTERN | RES | |
| O'KELLY, Kevin | STUDENT CLERK | RIII | |

*Effective July 28, 2003

Office of Public Affairs Items of Interest Week Ending August 1, 2003

Media Interest

Significant local coverage of the Federal Emergency Management Agency's (FEMA) and the Nuclear Regulatory Commission's (NRC) certification of the Indian Point emergency evacuation plan, including *The New York Times, Associated Press, New York Daily News* and *Reuters*.

Widespread reporting in New York on this week's simulation of a terrorist attack to test security at Indian Point, including *The New York Times, The New York Daily News, The Journal News* and a host of television and radio stations.

Several stories in Pennsylvania media outlets, including *Associated Press*, on CFC Logistics' planned building of a cobalt-60 irradiator in Milford Township, Bucks County.

A number of Ohio-based articles on the NRC issuing a preliminary "yellow" safety finding for a water containment sump at the Davis-Besse plant. Stories appeared in *The Toledo Blade, The Akron Beacon Journal* and *The Cleveland Plain Dealer*.

| Press Releases | | | |
|----------------|--------------------------------------------------------------------------------|--|--|
| Regions: | | | |
| I-03-045 | NRC To Meet With Exelon To Discuss Status Of Company's Reactors (7/28) | | |
| I-03-046 | NRC Assigns New Senior Resident Inspector To Hope Creek (7/30) | | |
| III-03-052 | NRC Special Inspection Begins July 28 At Point Beach (7/28) | | |
| III-03-053 | NRC Special Inspection Dispatched To Hematite Fuel Fabrication Facility (7/31) | | |
| III-03-054 | Davis-Besse Sump Problem Preliminary Safety Assessment: "Yellow" (7/31) | | |
| III-03-055 | NRC Staff Proposes \$3,000 Fine Against Milwaukee Hospital (8/1) | | |
| IV-03-033 | NRC Approves Restart Of South Texas Project Unit 1 Reactor (8/1) | | |

Office of the Secretary Items of Interest Week Ending August 1, 2003

| | Document Released to Public | Date | Subject |
|----|----------------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| De | ecision Documents | | |
| 1. | SECY-03-0119 | 7/14/03 | Proposed License Amendment to Export Nuclear Grade Graphite to Various Countries for Non-Nuclear End Use (XMAT0400/02) |
| | SRM on SECY-03-0119 | 7/28/03 | (same) |
| | Commission Voting Record on SECY-03- 0119 | 7/28/03 | (same) |
| 2. | COMSECY-03-0031 | 7/14/03 | Annual Review of Regulatory Guide 1.174 and SRP Chapter 19 (WITS199800100) |
| | SRM on COMSECY-03- 0031 | 7/30/03 | (same) |
| | Commissioner Votes on COMSECY-03-0031 | 7/30/03 | (same) |
| 3. | Commissioner McGaffigan Vote on SECY-03-0114 | 7/10/03 | Final Rule, 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements" |
| In | formation Papers | | |
| 1. | SECY-03-0122 | 07/18/2003 | Status Report on Draft Regulatory Guide, DG-1122 "An Approach for Determining the Technical Adequacy of Probabilistic Risk Assessment Results for Risk-Informed Activities," and Draft Standard Review Plan Chapter 19.1, "Determining the Technical Adequacy of Probabilistic Risk Assessment Results for Risk-Informed Activities" |

Federal Register Notices Issued

1. Security Requirements for Portable Gauges Containing Byproduct Material - Proposed Rule.

Region I Items of Interest Week Ending August 1, 2003

Indian Point - Force on Force Pilot Exercise

The NRC staff completed a week-long force-on-force security exercise at Indian Point on August 1, 2003. This was the first exercise in which the "multiple integration laser engagement system" (MILES) gear (realistic weapons using lasers to simulate live fire) was utilized by the adversary forces and defending security guard force responders. The MILES gear provided another element of realism to the drill scenarios and will be assessed for future applications. The NRC Chairman and Region I Regional Administrator observed some of the exercise activities. Other observers included Connecticut Congressman Christopher Shays, Rudolph Giuliani, (former Mayor of NYC and now consultant to Entergy, the Indian Point licensee), a member of Senator Clinton's staff, and representatives from the Department of Homeland Security, Federal Bureau of Investigation, Office of Inspector General, New York State Office of Homeland Security, local/county emergency management and security office representatives. Numerous industry representatives also observed or participated in the pilot exercise. Media coverage during the exercise was extensive.

Maryland Integrated Materials Performance Evaluation Program (IMPEP) Review

From July 21-25, 2003, representatives from NRC Regions I, II and IV and the State of Georgia conducted an IMPEP review of the Maryland Agreement State program. The review included an evaluation of the State's performance with respect to inspection, licensing, staffing, incidents, allegations and compatibility with NRC regulations. In the next 30 days, the review team will prepare a draft report summarizing the findings of the IMPEP.

NRC Participation in Safety Light Corporation Meeting with Environmental Protection Agency (EPA) RIII

On July 29, 2003, EPA Region III hosted a meeting regarding the Safety Light Corporation (SLC) facility in Bloomsburg, PA. This site is on the NRC Site Decommissioning Management Plan list. In addition to the licensee, representatives from the Pennsylvania Department of Environmental Protection (PADEP) and NRC Regional and Headquarters staff participated in the meeting. The purpose of the meeting was to discuss difficulties with the silo waste remediation project, its impact on site-wide remediation, and operational licensing implications. SLC described the difficulties with characterizing the waste to meet waste disposal criteria due to the presence of higher-than-expected levels of strontium-90 contamination, as both discrete sources and diffuse mixtures of radium-226, cesium-137, and tritium.

Region I Reactor Oversight Process Assessment Meetings

During July 29-31, Region I and the Office of Nuclear Reactor Regulation (NRR) conducted predecisional mid-cycle plant assessments, covering seventeen of the nineteen facilities in Region I. The remaining assessments, covering Indian Point 2 and Indian Point 3, will take place on August 4. The results of these Reactor Oversight Process assessments will be published in letters to each licensee in late August.

August 1, 2003

Special Inspection Established for Salem Unit 1 Unusual Event

Region I will perform a special inspection concerning the Unusual Event at Salem Unit 1 on July 29. During the event an electrical fault in a unit output breaker caused a load reject and an associated loss of offsite power to some 4 kV vital busses at Salem Units 1 and 2. Although these busses automatically transferred to the alternate offsite power source, undervoltage protection devices removed power from all three Unit 1 vital busses shortly afterward. The emergency diesel generators automatically started and loaded to provide power to the Unit 1 vital busses for the remainder of the event. The special inspection will review the licensee's evaluation of the unexpected electrical system interactions and resolution of post-event concerns.

Region II Items of Interest Week Ending August 1, 2003

Carolina Power and Light Company (Progress Energy) - Brunswick Nuclear Plant

On July 30, 2003, the Regional Administrator visited the Brunswick Nuclear Plant near Southport, NC. The purpose was to tour the plant, meet with the resident inspectors and discuss current issues with licensee management.

Global Nuclear Fuel - Americas, LLC - Licensee Performance Review (LPR)

On July 31, 2003, the Regional Administrator, the Director of the Office of Nuclear Material Safety and Safeguards and other representatives from these two offices held a public meeting with licensee representatives. The meeting was held open to the public with the purpose of discussing the results of the NRC's review of the licensee's performance during the past year. No members of the public or the media attended.

Carolina Power and Light Company (Progress Energy) - Harris Nuclear Plant

On July 31, 2003, representatives from Carolina Power and Light Company were in the regional office to participate in a management meeting with Region II managers and staff. The meeting's purpose was to discuss the licensee's progress in making changes to the Harris fire protection program.

Region III Items of Interest Week Ending August 1, 2003

Manual Chapter 95003 Inspection Begins at Point Beach

On July 28, 2003, Region III began an inspection under Manual Chapter 95003 at the Point Beach Nuclear Power Station as the result of a previous red finding associated with the potential common mode failure of the auxiliary feedwater system due to a loss of the instrument air system. This problem was initially identified by the licensee in 2002. The initial phase of the inspection will review the licensee's corrective action program. Subsequent inspection focuses will be emergency preparedness and engineering, operations, and maintenance. Public meetings are planned with the licensee following the completion of the second phase and after the full inspection is completed.

Special Inspection at Westinghouse Fuel Facility

On July 31, 2003, Region III began a special inspection at the Westinghouse fuel facility in Hematite, Missouri, to review the circumstances surrounding the discovery of about 36 fresh fuel pellets, containing low-enriched uranium, in a shipment of scrap zircalloy tubes. The pellets were found among 30,000 tubes shipped by the Westinghouse facility to an Ontario, Canada, metal recyling firm.

Region IV Items of Interest Week Ending August 1, 2003

South Texas Project

Region IV management conducted a public meeting at the Bay City Civic Center, Bay City, Texas, on July 28, 2003, to present the results of the NRC's Special Inspection Team review of the South Texas Project, Unit 1, reactor vessel bottom-mounted instrumentation penetration leakage issue. The licensee also provided a summary of its investigation of the issue and corrective actions. The meeting was well attended and received extensive media coverage.

On July 31, 2003, the staff issued a letter to the South Texas Project concluding that the licensee had taken all necessary actions with respect to the bottom-mounted instrumentation penetration leakage issue to support the safe restart of Unit 1. The Commission was subsequently informed of the staff's action and a press release was issued.

Office of Congressional Affairs Items of Interest Week Ending August 1, 2003

| | CONGRESSIONAL HEARING SCHEDULE, NO. 25 | | | | | |
|----------------|----------------------------------------|-------|------------------------------------|--------------------------------------|-----------------------------------------------------------------------|--|
| OCA Contact | DATE & PLACE | TIME | WITNESS | SUBJECT | COMMITTEE | |
| Combs | ТВА | ТВА | Chairman Diaz, DOE Bechtel, NEI | Yucca Mountain | Reps. Barton/Boucher Energy and Air Quality Energy and Commerce | |
| Keeling | 09/10/03 LHOB | 10:00 | ТВА | Findings of 9/11 Intelligence Report | Reps. Cox/Turner Select Committee on Homeland Security | |

Note: August recess has begun; the Senate returns on September 2, 2003, and the House returns on September 3, 2003.

Advisory Committee on Nuclear Waste Items of Interest Week Ending August 1, 2003

Advisory Committee on Nuclear Waste (ACNW) Working Group Performance Confirmation

During July 29-30, 2003, the Advisory Committee on Nuclear Waste convened a Working Group Session on "Performance Confirmation Plans for the Proposed Yucca Mountain High-Level Waste Repository." The purposes of the working group were to (1) increase ACNW's technical knowledge of plans to develop and conduct performance confirmation work for the proposed Yucca Mountain repository; (2) understand NRC staff expectations for performance confirmation; (3) review examples of performance confirmation work being planned; (4) identify aspects of performance confirmation that may warrant further study; and (5) complement the previous working group session on performance assessment. The session began with a keynote address by Dr. Chris Whipple, a prominent nuclear scientist. Other talks were given by NRC staff, DOE staff, and stakeholder representatives for the State of Nevada, Nye County, Clark County, the Las Vegas Paiute tribe, and Electric Power Research Institute (EPRI). A panel of six nuclear experts, including a representative from Nevada, participated along with the committee members. The Committee will consider the gathered information in formulating views for the upcoming Commission briefing in October. In addition, the Committee will prepare a letter report to the Commission with key observations and recommendations from the Working Group. A NUREG report is also planned to document the proceedings.