

August 13, 1997

SECY-97-187

FOR: The Commissioners

FROM: L. Joseph Callan /s/
Executive Director for Operations

SUBJECT: NMSS POLICY AND PROCEDURES LETTER "PROCEDURE FOR
PREPARING THE ANNUAL REPORT TO CONGRESS ON THE
GASEOUS DIFFUSION PLANTS"

PURPOSE:

This paper seeks Commission approval of proposed Office of Nuclear Material Safety and Safeguards (NMSS) Policy and Procedures Letter 1-59, which has been developed to provide guidance for preparation of the Annual Report to Congress on the status of health, safety, and environmental conditions at the gaseous diffusion plants (GDPs). The first Annual Report to Congress will be developed by the staff and forwarded to the Commission for approval later this year.

BACKGROUND:

The Energy Policy Act of 1992 amended the Atomic Energy Act of 1954 (AEA) by adding a new Title II to the Act (Sections 1201-1805), which established a new government corporation, the United States Enrichment Corporation (USEC), for the purpose of operating the uranium enrichment enterprise owned and previously operated by the Department of Energy (DOE). The AEA also requires the Nuclear Regulatory Commission to establish safety and safeguards regulations for the GDPs and to certify the GDPs' compliance with

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those standards. The NMSS Director's initial certification decision was published in the Federal Register on September 19, 1996, and the initial certificates were issued to USEC on November 26, 1996. The certificates of compliance became effective and NRC assumed regulatory jurisdiction over the GDPs, from DOE, on March 3, 1997.

Section 1701 of the AEA includes a requirement for NRC to report at least annually to Congress, in consultation with DOE and the Environmental Protection Agency, on the status of health, safety, and environmental conditions at the GDPs. The report must include a determination of whether the GDPs comply with applicable regulations established for the GDPs, and all applicable laws. Congress was advised on November 29, 1996, that the first Annual Report would be issued in approximately one year.

DISCUSSION:

The staff developed the enclosed NMSS Policy and Procedures Letter for preparation of the Annual Report to Congress, for the purpose of providing guidance and a standard format for preparation of the report. The Annual Report to Congress will only address those areas at the GDPs that are NRC-regulated. The Annual Report production process has been developed to include a senior management review of the Annual Report. The NMSS Policy and Procedures Letter also includes an outline for the table of contents of the report and a brief discussion of what each section should contain.

The Annual Report to Congress on the status of the health, safety, and environmental conditions at the GDPs is within the current budget. This paper has no information management or information technology impacts.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection.

RECOMMENDATION:

The staff believes that the attached NMSS Policy and Procedures letter effectively provides the proper guidance for the preparation of the Annual Report to Congress. Unless otherwise directed within ten working days of the date of this paper, the staff will issue and implement the procedure.

L. Joseph Callan
Executive Director
for Operations

Attachment:
NMSS Policy and Procedures Letter -
Procedure for Preparing the Annual Report to
Congress on the Gaseous Diffusion Plants

Nuclear Material Safety and Safeguards

Policy and Procedures Letter 1-59

Procedure for Preparing the
Annual Report to Congress on the
Gaseous Diffusion Plants

Special Projects Branch
Division of Fuel Cycle Safety and Safeguards

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1.0 PREPARATION OF ANNUAL REPORT TO CONGRESS ON THE GASEOUS DIFFUSION PLANTS

1.1 PURPOSE OF PROCEDURE

The purpose of this procedure is to provide guidance and a standard format for preparation of the Annual Report to Congress, required by Section 1701 of the Atomic Energy Act (AEA), on the status of the health, safety and environmental conditions at the Gaseous Diffusion Plants (GDPs) operated by the United States Enrichment Corporation (USEC). The Annual Report will also include the status of security and safeguards at the GDPs.

1.2 RESPONSIBILITY FOR REVIEW

Primary: Enrichment Section, Special Projects Branch

Secondary: Operations Branch and Region III

Supporting: Resident Inspector staff and Inspection staff

1.3 AREAS OF REVIEW

The Annual Report will discuss the status of health, safety, and environmental conditions, as well as the status of security and safeguards at the GDPs. The AEA requires that the Annual Report include a determination regarding whether the GDPs are in compliance with applicable regulations (10 CFR Part 76). The Annual Report will address operations under NRC regulatory oversight. DOE and EPA will be consulted and asked for their review and comment on the draft report. A Senior Management Board will be convened as part of the Annual Report process to review the status of the GDPs' performance.

1.4 REVIEW PROCEDURES

Interagency Coordination

The AEA requires that NRC consult with both EPA and DOE on the Annual Report. The draft Annual Report will be provided for comment to both EPA and DOE in mid-October of the year in which the report is due.

Schedule

Preparation of the Annual Report requires the staff to conduct some preliminary activities. If it is necessary to obtain input from USEC, the request should be sent no later than the end of August. Staff assignments should be made during the same time frame. A specific individual should be assigned the lead for preparation of the Annual Report, however, specific sections may be assigned to other staff members. It will be necessary to coordinate the Annual Report with Region III, Office of the General Counsel (OGC), and the Operations Branch of the Division of Fuel Cycle Safety and Safeguards. These coordination activities should be scheduled to ensure timely completion of the Annual Report. As stated above, the draft Annual Report should be sent to EPA and DOE in mid-October to obtain their comments on the report. The final Annual Report will be provided to the EDO by mid-November of each year. The following schedule should be maintained to ensure delivery of the final Annual Report to Congress:

Draft Annual Report to DOE/EPA:	October 15
Interoffice review and concurrence:	November 5
Senior Management Board Review:	November 12
Due to EDO:	November 17

Senior Management Board Review

Each year before the Annual Report is sent to the Commission, a Senior Management Board shall be convened to review the Annual Report. The Board will review the Annual Report to assure that the report satisfies the direction given to the NRC by Congress, and to review the status of the GDPs performance. The Senior Management Board shall include the Deputy Executive Director for Regulatory Programs, the Deputy Executive Director for Management Services, the Director of the Office of Nuclear Material Safety and Safeguards, the Region III Regional Administrator, and the Assistant General Counsel for Rulemaking and Fuel Cycle, Office of the General Counsel.

GDP Performance Review

The purpose of the GDP performance review will be to provide NRC management with a "big picture" of the GDPs performance in meeting NRC requirements, and to provide early identification of performance trends. In the assessment of GDP performance, the primary source of information will be NRC inspection reports, status of allegations, enforcement history, and event reports. Other sources of information may be used as appropriate. Note that limited information will be available for trending purposes for the first review cycle as the GDPs will have been under NRC jurisdiction for only seven months. To minimize staff resources and reduce repetition, the Annual Report, as long as it is prepared, will serve as meeting the requirements for a Licensee Performance Review (see Manual Chapter 2604).

Issuance of Annual Report

The Annual Report will be provided to the Commission as an attachment to a Commission Paper. The Commission Paper should provide a brief background and summary. Enclosed with the Commission Paper will be transmittal letters from the Chairman to Congress. The Office of Congressional Affairs should be consulted regarding the transmittal letters.

Contents

The following paragraphs briefly describe the type of information that should be included in each section of the Annual Report. Appendix A contains an outline for the table of contents. The actual table of contents may be broken down into more specific items.

Abstract

This section should contain a short summary of the Annual Report

Background

This section should contain a brief discussion of the Energy Policy Act, USEC Privatization Act, the history of 10 CFR Part 76, the certification process, the transition period from DOE to NRC, and ultimate NRC jurisdiction.

GDP Operations

This section should contain a brief description of the activities that occur under NRC regulatory oversight at each site.

Status of Compliance Plan Activities

This section should include a short narrative of the history and the purpose of compliance plan items. Briefly discuss those items that have been completed during the period covered by the Annual Report. Briefly discuss those items remaining open and the time frame for completion. Briefly describe DOE's responsibilities in the initial compliance plan, and describe any significant revisions to the initial compliance plan.

Health, Safety, and Environmental Status

This section should discuss the status of the GDPs in meeting NRC health, safety and environmental regulations. Specifically, this section should describe the personnel dose and environmental radioactive release requirements governing the GDPs, citing the applicable sections of 10 CFR Part 76. This section should also discuss whether the GDPs met those requirements using input from personnel exposure data, overexposure reports, and effluent release reports reported by or obtained from USEC.

Certification Activities

For the first Annual Report this section should include a brief discussion of the initial certification. State when the certificates will expire and when USEC must resubmit its renewal. Subsequent Annual Reports will discuss only the most recent certification. Provide information on the number of amendments processed and approved. Briefly discuss any amendments of particular interest. Discuss any public meetings (to obtain public input) that may have been held.

Inspections

This section should briefly describe the safety, safeguards, and security inspection programs for the facilities and include the number and type of inspections for each facility. The inspection findings will be briefly summarized. Information on the number and types of violations cited, enforcement conferences, management meetings, and civil penalties or escalated enforcement will be discussed. Any orders that may have been issued during the period, and any situations where enforcement discretion was exercised will be provided.

Event Reports

This section should briefly summarize significant event reports that were received during the period covered by the Annual Report. If an event resulted in activation of the NRC Operations Center, include a discussion of the circumstances of the event and any follow up actions taken.

Regulatory Activities

This section should summarize any proposed regulatory changes that are underway.

EPA and DOE Consultation

This section should summarize the consultation activities with EPA and DOE. Include a summary of their input, if appropriate.

Determination and Compliance with Applicable Laws

This section should summarize the conclusions of the most recent certification review for each site. Include a specific discussion of the status of compliance with 10 CFR Part 76. Summarize the status of corrective actions taken to achieve compliance with respect to any cited violations based on inspection results, and make the required determination with respect to compliance with NRC requirements.

Summary Assessment of Performance

This section should summarize the performance assessment of the GDPs during the period covered by the Annual Report. The performance assessment should include a review of safety operations, safeguards, radiological controls, and facility support.

1.5 IMPLEMENTATION

The first Annual Report will cover the period of time from March 3, 1997, the day NRC assumed jurisdiction, to September 30, 1997. Subsequent Annual Reports will cover a twelve month period, from October 1 through September 30 of the following year. The last Annual Report will be issued in 1999 unless Congress reenacts the reporting requirement.

1.6 REFERENCES

Manual Chapter 2604, Licensee Performance Review
Inspection Reports of the GDPs
Event Reports from the GDPs
Certificate of Compliance and Amendments
USEC Application

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