

September 30, 2003

MEMORANDUM TO: David A. Ayres, Chief, FFB/DNMS/RII
Jay L. Henson, Chief, FFB/DNMS/RII
Cheryl M. Stone, Chief, FCSSP/DNS/NSIR
Barry C. Westreich, Chief, SOS/NSOPD/NSIR
Inspection Section Staff, SPIB/FCSS/NMSS

FROM: Brian Smith, Acting Chief, SPIB/FCSS/NMSS /RA/

SUBJECT: PROVIDING THE COMMISSION WITH ANNUAL UPDATES ON
SIGNIFICANT ISSUES

REFERENCES: SRM-M020501: "Staff Requirements - Briefing on Results of Agency
Action Review Meeting"

SECY-02-0216: "Proposed Process for Providing Information on
Significant Nuclear Materials Issues and Adverse Licensee Performance"

Management Directive 8.14: "Agency Action Review Meeting"

ACTION:

Each year, in early March, whether an LPR is scheduled or not, review all fuel cycle licensees against the criteria listed below. If the criteria are met, then the licensee may be recommended for inclusion at the Agency Action Review Meeting (AARM).

BACKGROUND:

The staff has been directed to provide the Commission with annual updates on significant issues and on adverse licensee performance in conjunction with the AARM. The criteria are listed in SECY-02-0216, Attachment 2, Table 1, and are repeated below:

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Criteria for identifying candidate licensees for AARM consideration:	Criteria NMSS will use in evaluating whether candidate licensees will be forwarded for discussion at the AARM:
Licensee has an event that results in the failure to meet a Safety Measure (e.g., a death, release with significant impact on the environment, etc.).	These licensees will typically be discussed at the AARM unless the matters have already been adequately addressed and discussed before the AARM.
Licensee has an event that results in an Abnormal Occurrence, or an event that qualifies for a Severity Level I or II violation, or multiple events that meet the criteria of the agency Strategic Plan Performance Measures (e.g., reportable loss of material, breakdown of physical protection, etc.) AND technical staff believes that there are unique or unusual aspects of the cases that are not adequately or appropriately handled within the normal inspection and enforcement processes.	These licensees will only be discussed at the AARM if Agency actions beyond the normal inspection and enforcement processes are necessary, and other Offices will be required to support these actions, OR other Offices would benefit from an awareness of the issues or circumstances associated with licensee performance.
Licensees that have significant breakdowns in their licensed programs, where the breakdowns involve more than one compliance item (e.g., a dose monitoring breakdown and also a wide-spread failure to implement and maintain required procedures) AND technical staff believes that there are unique or unusual aspects of the cases that are not adequately or appropriately handled within the normal inspection and enforcement processes.	These licensees will only be discussed at the AARM if Agency actions beyond the normal inspection and enforcement processes are necessary, and other Offices will be required to support these actions, OR other Offices would benefit from an awareness of the issues or circumstances associated with licensee performance.

PROCEDURE:

- (1) Annually, each division will be requested by IMNS to identify candidate licensees using the basic criteria in the left column.
- (2) Develop a short summary (not to exceed one page) for each licensee to be discussed at the AARM. This summary will be supported by excerpts from the pertinent inspection reports, event notifications, etc.
- (3) Brief the Director, NMSS, Director, NSIR, and the Regional Administrators on the performance of the candidate licensee(s).

- (4) The Director, NMSS, with the Director, NSIR, and Regional Administrators, will decide which, if any, candidate licensees or groups of licensees will be discussed at the AARM, using the criteria in the right column.

RESOURCES:

This process utilizes existing sources of data, assessment processes, and criteria. These activities are already included in the NMSS budget under "Event Investigation."

- (4) The Director, NMSS, with the Director, NSIR, and Regional Administrators, will decide which, if any, candidate licensees or groups of licensees will be discussed at the AARM, using the criteria in the right column.

RESOURCES:

This process utilizes existing sources of data, assessment processes, and criteria. These activities are already included in the NMSS budget under "Event Investigation."

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