

September 26, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary **/RA/**

SUBJECT: STAFF REQUIREMENTS - SECY-06-0186 - INCREASING
LICENSING TERMS FOR CERTAIN FUEL CYCLE FACILITIES

The Commission has approved staff's recommendation to implement maximum license terms of 40 years for license renewals and new applications, specific to licensees required to submit integrated safety analysis (ISA) summaries according to 10 CFR Part 70, Subpart H, requirements. The Commission also approved of license terms for less than 40 years on a case-by-case basis where there are concerns with safety risk to the facility or where a licensee introduces a new process or technology.

The staff should ensure that the proposed change in license terms is buttressed by a review of the NRC fuel cycle facility inspection program to ensure that inspectors are appropriately focused on the licensees' existing programs that address material degradation and aging issues, such as the chemical process safety, corrosion prevention, and environmental qualification programs. The staff should inform the Commission how material degradation and aging issues are addressed by Subpart H and the NRC's licensing and inspection programs.

The staff should develop appropriate timeliness metrics for completing its review of ISA updates to facilitate effective risk-informed inspection and validation of licensees' programs. If additional resources are needed to complete timely reviews of ISA updates the staff should request them from the Commission.

cc: Chairman Klein
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
OGC
CFO
OCA
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR