

July 17, 2012

MEMORANDUM TO: Chairman Macfarlane  
Commissioner Svinicki  
Commissioner Apostolakis  
Commissioner Magwood  
Commissioner Ostendorff

FROM: Catherine Haney, Director  
Office of Nuclear Material Safety and Safeguards **/RA/**

SUBJECT: REVISED FUEL CYCLE OVERSIGHT PROCESS PROJECT PLAN  
AND FIRST ANNUAL PERIODIC UPDATE

This memorandum transmits to the Commission the staff's resource-loaded project plan to develop a revised fuel cycle oversight process (RFCOP) and provides the first annual periodic update. The Project Plan was made publicly available on July 17, 2012 (Agencywide Documents Access and Management System Accession No. ML12167A230).

The staff requirements memorandum (SRM) for SECY-11-0140, "Enhancements to the Fuel Cycle Oversight Process," dated January 5, 2012, (ML120050322) directed the staff of the U.S. Nuclear Regulatory Commission (NRC) to develop a publicly available resource-loaded project plan for enhancing the FCOP. The NRC staff prepared the enclosed Project Plan in response to the SRM direction. The Project Plan contains a significant level of detail relating to tasks, subtasks, precursors, deliverables, and milestones for the near term tasks. For those tasks scheduled for completion more than 2 years into the future, the staff is providing only high-level overview. The staff estimates that the RFCOP will be implemented no earlier than Fiscal Year (FY) 2017, depending on a number of external factors including stakeholder interaction and resources, among others. The staff plans to provide additional detail on these long-term tasks during periodic updates to the Commission.

On March 29, 2012, staff met with interested external stakeholders to discuss an early draft of the Project Plan and on May 15, 2012, conducted a webinar to discuss the Plan. In addition, staff considered both internal and external stakeholder input in preparing the Project Plan. The RFCOP Project Plan uses public meetings, workshops, webinars, and teleconferences to engage internal and external stakeholders throughout all phases of the RFCOP development including revisions to the Project Plan.

CONTACT: Kevin Mattern, NMSS/FCSS  
301-492-3221

In addition to developing the RFCOP Project Plan, in response to the direction provided in the SRM for SECY-11-0140, the NRC staff has provided to the Commission a draft revision to the enforcement policy, via SECY-12-0047, "Revision to the Nuclear Regulatory Commission Enforcement Policy," dated March 28, 2012 (ML11347A218). The revision proposes to incentivize fuel cycle facility licensees to maintain effective corrective action programs by delineating specific criteria by which certain NRC-identified non-escalated violations may be dispositioned as non-cited violations.

The staff will submit periodic updates for information to the Commission, at least annually. The next periodic update will be provided in July 2013.

The Office of the Chief Financial Officer has reviewed this memorandum and its enclosures. The staff has determined that the resources necessary to carry out the tasks associated with the RFCOP project plan for FY 2012 and FY 2013 are consistent with the resource allocations described in SECY-11-0140. The staff will request the necessary resources for FY 2014 and beyond through the budgeting process. Allocation of resources for FY 2014 and beyond may have an impact on the long-term tasks and timeline associated with this Project Plan.

Enclosure:  
RFCOP Project Plan

cc: SECY  
EDO  
OGC  
OCA  
OPA  
CFO

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