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## POLICY ISSUE

(Information)

For: The Commission

From: William J. Dircks  
Executive Director for Operations

Subject: STAFF PROCESSING OF ALLEGATIONS INVOLVING  
APPLICATIONS FOR OPERATING LICENSES

Purpose: To inform the Commission of improvements being implemented  
in the processing of allegations.

Background: In November 1982, an NRC Allegations Tracking System (ATS)  
designed to ensure that all incoming allegations are recorded  
was initiated. While that system appears to be working,  
certain improvements, to be discussed below, are needed to  
increase its usefulness as a management information system.  
One of the most important changes to that system will be to  
redefine "allegations" to include a broader set of safety  
concerns originated outside NRC even if not provided by an  
"allegor". This would include, for example, the technical  
audit reports received from two Congressmen regarding the  
Pullman contractor at Diablo Canyon. Such a redefining of  
that system will more appropriately focus the staff's atten-  
tion on all safety concerns regardless of their origin and  
will permit them to be evaluated in an integrated sense.  
This change will be included in an NRC Manual Chapter to be  
issued early next Spring that formalizes the ATS.

At present, IE has the responsibility for the Allegation  
Tracking System; responsibility for the evaluation of alle-  
gations/concerns is divided among a number of Offices (OI,  
NRR, IE, NMSS, and the Regions) and the responsibility for  
Board Notifications and licensing recommendations resides  
in NRR.

Discussion: I. Recent Experience

We have experienced difficulties in several recent licensing  
cases that indicate a need to improve our handling of allega-  
tions. These difficulties are briefly described below.

(1) Safety Significance - Presently, for each allegation re-  
ceived by the NRC, an Action Office is designated (such as  
Regions, NRR, IE, OI, or NMSS). Each Action Office is to  
manage the necessary evaluations or inspections to resolve  
the allegation. Similar to our approach for resolving

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§2.206 petitions, if the allegation is determined to be valid, and if the safety significance of the issue warrants, appropriate regulatory action is taken (such as Stop Work Orders or requiring correction of the deficiency before issuance of an operating license). This approach has been working reasonably well for individual allegations, particularly where there are only a few allegations on a given project.

For projects with a large number of allegations or concerns raised, however, difficulties have been experienced in addressing the safety significance of the allegations. This is principally because with numerous allegations, we do not have a systematic approach for assessing the collective safety significance of the set of pending allegations on a particular project. In addition, there are no scheduler guidelines for completing such assessments. A more systematic program for the assessment of the significance of plant-specific allegations is needed.

(2) Operating License Decisions - It has become clear that an important element to consider when making a decision to issue an operating license is the status and safety significance of all pending allegations. In some cases, we have noticed an increasing number of allegations being surfaced as the licensing decision date nears. We have not had systematic administrative controls in place that ensure timely and appropriate management-level attention to this matter.

The preferred situation is to have all such allegations resolved prior to issuing an operating license (or authorizing full-power operation). For plants that are nearing the date of licensing, we need to ensure that as many as possible of the pending allegations are resolved prior to that date and, in fact, that they are resolved in a systematic, routine way prior to an OL decision so as to avoid an increasing accumulation of such issues at the last minute. Normally, this can be achieved by proper advanced planning and prioritization. In some instances, as when there are a very large number of allegations, a special allegation management effort may be needed (e.g., as is being done for Diablo Canyon).

(3) Board Notification Issues - Many times, a substantive allegation can be material and relevant to issues before a licensing board (ASLB, ASLAB, or Commission). The present allegation screening procedures generally in use in the Regions do not specifically require all allegations to be routinely reviewed to determine whether they contain new information that is material and relevant to issues in a licensing proceeding and, thus, should be the subject of a Board Notification. In addition, the schedule for resolution of allegations has been particularly sensitive to licensing board schedules when such information is pertinent to board decisions.

## II. Revised Approach

The key elements of the improvements being implemented are outlined below. A more detailed description is contained in Enclosure 1.

- (1) The Allegation Tracking System will include all allegations or expressions of concern requiring evaluation from any source outside NRC (private citizens, public interest groups, elected officials, etc.).
- (2) In general, the present split of office responsibility for review and resolution of each allegation (as described in "Background") will be maintained.
- (3) The NRR Project Manager will play a more active and central role by maintaining an awareness of all allegations and the progress of their resolution, and by alerting NRR management of scheduler difficulties or the development of substantive safety issues that could affect licensing decisions.
- (4) IE will continue to be responsible for the ATS and the necessary improvements (including schedules) to enhance its capability to become an Allegation Management System.
- (5) IE has assigned a senior manager to a new position entitled, "Special Assistant for Allegations and Investigations".
- (6) Action Offices for allegations will:
  - (a) Within 30 days of receipt of an allegation, make a preliminary determination of safety significance and the need for any regulatory action (similar to the approach to the review of §2.206 Petitions).
  - (b) Schedule the resolution of each allegation (to be consistent with the licensing schedule and the safety significance of the allegation).
  - (c) Recommend Board Notifications to NRR.
  - (d) Develop and maintain case files for each allegation, which will include documentation of all preliminary and final resolutions.
  - (e) Take appropriate steps to protect the confidentiality of allegers, when requested.

(f) Provide information to IE for placement in the ATS.

(6) For each OL application, NRR will develop a plan for assessing the collective significance of allegations consistent with licensing review schedules. This will require consultation with OI, IE, and the involved Regions. A listing of allegations for each case, similar to that developed for Diablo Canyon, will be maintained. The listing will utilize data from the ATS.

(7) The Director, NRR, will, as part of his decision-making process on the issuance of an operating license (or his recommendations regarding full-power authorization), consider the safety implications of allegations not finally disposed of.

Underlying these improvements is a recognition of the key role played by the NRR Project Manager as the principal focal point for all information related to licensing issues for any operating license application. In the past, the processing of allegations has largely been accomplished within the Regional organizations, with technical assistance as needed from Headquarters. This is appropriate, and will continue to be the case, particularly for those allegations related to site-specific construction-related and plant-specific operations-related issues. Perhaps because of this, the NRR Project Manager, and in fact the Headquarters Offices, while being cognizant of pending allegations, have tended to view allegations and their resolution as a regulatory function which is principally within the purview of the Regional Offices. With the increasing awareness that allegations must be accorded deliberate consideration as an element in the overall licensing decision process, it is appropriate that timely information on all allegations be made available in a central location, that all allegations are resolved in a timely manner (at least in an interim fashion), that the resolution of such allegations is documented appropriately, that such information is provided to Hearing Boards in a timely manner, and perhaps most importantly, that the collective safety importance of such allegations is factored into licensing decisions. For pending operating licenses, that central location for such considerations must be the NRR Project Manager.

With regard to resource implications, for most cases, the additional effort involved in implementing these procedures can be absorbed within existing office resource levels. In special cases, a dedicated full-time team may need to be established for a short period of time (as in Diablo Canyon).



NRR has designated a full-time allegation coordinator to further develop the implementing procedures, assist in appropriate revisions to the NRC Manual, and, in general, ensure that the revised procedures are promptly put in place for all upcoming operating cases. As noted above, IE has designated a full-time special assistant to be responsible for allegation activities related to IE programs.

The above-mentioned improvements, which are being finalized and will be incorporated in the NRC Manual, will provide for more organized and systematic management of allegations related to pending operating licenses. Although our experiences in managing the resolution of allegations related to operating reactors have not been as troublesome as they have been for operating license application cases, the pertinent aspects of the improvements described herein will be made applicable to OR's as well.



William J. Dircks  
Executive Director for Operations

Enclosure:  
Procedures for Resolution of  
Allegations Related to Operating  
License Application Reviews

PROCEDURES FOR RESOLUTION OF ALLEGATIONS  
RELATED TO OPERATING LICENSE  
APPLICATIONS REVIEWS

1. The general procedures that are in use within the Regions for screening and assessing allegations will continue to be followed. A copy of these procedures was furnished to the Commission by EDO memorandum dated October 28, 1983.
2. The Allegation Tracking System will continue to be maintained by IE. It will be revised to reflect, for each allegation, the schedule for resolution and confirmation that close-out has occurred.
3. The NRR Project Manager will maintain, with the aid of ATS, a detailed summary of all allegations and the progress of their resolution, and is responsible for alerting NRR management of schedular difficulties or the development of substantive safety issues that could affect licensing decisions.
4. Action Offices for allegations will:
  - (a) Within 30 days of receipt of an allegation, make and document a preliminary determination of safety significance and the need for any regulatory action (similar to the approach to the review of §2.206 Petitions),
  - (b) Schedule the resolution of each allegation (to be consistent with the licensing schedule and the safety significance of the allegation),
  - (c) Recommend Board Notifications to NRR,
  - (d) Develop and maintain case files for each allegation, which will include documentation of all preliminary and final resolutions,
  - (e) Take appropriate steps to protect the identity of allegeders when confidentiality is requested,
  - (f) Provide status information to IE for the ATS regarding each of the above items.
5. To provide greater assurance that Hearing Boards are informed of information that may be relevant and material, the existing procedure for screening and assessing allegations is being modified to:
  - (a) Ensure that notification of the existence of an allegation is promptly made to the appropriate NRR Project Manager, as well as IE.

- (b) Provide that the Action Office will determine, within thirty days of receipt of an allegation, whether a Board Notification should be recommended, and, if so, will forward such recommendation to the Director, Division of Licensing, NRR (with copy to the Project Manager). The Action Office case file record for each allegation will include an entry, approved at management level, regarding the disposition with respect to board notification (including a determination that no board notification is warranted).
  - (c) Provide that, if the initial board notification is preliminary in nature, a follow-up notification is sent to boards when the evaluation is completed, or whenever significant relevant information is identified during the course of evaluating the allegation.
  - (d) Ensure protection of the identity of all alleged when confidentiality is requested.
- 6. Thirty days prior to the Construction Completion date (applicant's estimate) for each pending OL, each Action Office will forward to the Division of Licensing an evaluation of the safety significance of all allegations not scheduled to be resolved before the Construction Completion date, with a recommendation as to whether any or all of them constitute grounds for delaying issuance of (or otherwise restricting) an operating license. The NRR Project Manager will compile these inputs and provide an integrated judgement and recommendation as to the safety significance of all pending allegations (collectively and, if appropriate, individually) as identified by all Action Offices.
  - 7. Thirty days prior to a Commission decision on authorizing full-power operation, a report similar to (3) above will be prepared. The NRR Project Manager will notify all Action Offices of the date this report is requested.
  - 8. During the period from thirty days prior to the Construction Completion date until the Commission meeting on full-power authorization, the Receiving Office for any new allegation will, within two working days, telephonically notify the NRR Project Manager of its receipt and the identification of the Action Office.