

MAR 18 1985

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AB46-1
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MEMORANDUM FOR: Victor Stello, Jr., Deputy Executive Director
for Regional Operations and Generic Requirements

FROM: John G. Davis, Director
Office of Nuclear Material Safety
and Safeguards

SUBJECT: PROPOSED REVISIONS TO 10 CFR 73.71 REPORTING
REQUIREMENTS FOR SAFEGUARDS EVENTS

Your September 25, 1984 memorandum concerning the subject rule indicated that CRGR review would be necessary and provided comments on a previously submitted rule package. Since that time, the package has been revised in response to your comments and undergone additional review by the Regional Offices (whose comments have been considered and incorporated when appropriate) and concurrence obtained from cognizant Headquarters Offices.

Enclosed is the revised draft rule package responsive to your comments. It is recalled that this action proposes amendments to §73.71, Reporting Requirements for Safeguards Events, to improve the clarity and effectiveness of the present rule. The revisions will:

- o clarify to licensees the safeguards events that must be reported,
- o extend the period of time for submittal of licensee written reports,
- o assure standardized and sufficient report-making to assist NRC data evaluation,
- o assure a consistent and comparable level of reporting for safety and safeguards events.

In revising the rule, the need and urgency for the reporting of specific events within one hour to the NRC Operations Center was re-evaluated relative to protecting public health and safety and preserving national security. Revisions to the proposed rule, e.g., the deletion of one hour reporting of intentional damage to Category III facilities, have been made as appropriate.

A significant effort has been made to assure consistency among requirements of the proposed 10 CFR 73.71 and existing or proposed reporting requirements in other areas as identified in your September 25 memorandum. Actions taken and comments in this regard are outlined in Enclosure 2.

OFFICE							
OR NAME			8510180326 851009				
DATE			PDR PR				
			73 50FR34708	PDR			

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Victor Stello, Jr.

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The Offices of Administration, Analysis and Evaluation of Operational Data, Inspection and Enforcement, Nuclear Regulatory Research, Nuclear Reactor Regulation and Public Affairs have concurred in this rulemaking. The Office of the Executive Legal Director has no legal objection. The Executive Director for Operations has approved this rule for continuation.

I would appreciate scheduling of a CRGR meeting on this matter at an early date. The NMSS contact is Priscilla A. Dwyer, 42-74773.

(Signed) John G. Davis

John G. Davis, Director
Office of Nuclear Material Safety
and Safeguards

Enclosures:

1. Revised 10 CFR 73.71 Pkg.
2. Summary of Reporting Requirements Consistency

cc: W. Schwink, DEDROGR Staff
w/15 copies encl 1

Note: Office concurrence page follows

OFFICE	SGPR	SGPR	SGPR	SGPR	SG	NMSS	NMSS
NAME	P.Dwyer/cw	T. Allen	G. McCorkle	R. Jackson	R. Burnett	D. Mausshardt	J. Davis
DATE	3/11/85	3/12/85	3/12/85	3/17/85	3/15/85	3/15/85	3/15/85

CONCURRENCE PAGE

PROPOSED REVISIONS TO 10 CFR 73.71

J. Partlow by phone
 RDeYoung
 IE
 3/18/85

CH
 CHeltemes
 AEOD
 1/13/85

Jani Gibson by phone
 HDenton
 NRR
 1/128/85

E Jordan by phone
 EJordan
 IE
 3/15/85

J. Felton for
 PNorry
 ADM
 2/15/85

A Rossi for
 RMinogue
 RES
 2/128/85

R. Fowler by phone
 CGunningham
 ELD
 2/124/85

Frank Ingram by phone
 JFouchard
 PA
 1/124/85



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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APR 3 1985

MEMORANDUM FOR: Robert Bernero, NRR
Edward L. Jordan, IE
Richard E. Cunningham, NMSS
Denwood F. Ross, RES
Clemens J. Heltemes, Jr., AEOD
Joseph Scinto, ELD

FROM: Victor Stello, Jr., Chairman
Committee to Review Generic Requirements

SUBJECT: CRGR MEETING NO. 74

The Committee to Review Generic Requirements (CRGR) will meet on Wednesday, April 17, 1985, from 1-5 p.m. in Room 6507 MNBB. The agenda is as follows:

- 1:00 - 2:00 p.m. - G. Arlotto (RES) will brief the CRGR concerning a forthcoming proposed revision to 10 CFR Part 50, Appendix J, Primary Reactor Containment Leakage Testing for Water-Cooled Power Reactors (Category 2 item).
- 2:00 - 3:30 p.m. - R. Burnett (NMSS) will present for CRGR review, the enclosed proposed revision to reporting requirements (for safeguards events) contained in 10 CFR Part 73.71 (Category 2 item).
- 3:30 - 5:00 p.m. - P. Norry (ADM) will present for CRGR review, the enclosed proposed rulemaking to establish retention periods for recordkeeping requirements in 10 CFR (Category 2 item).

If a CRGR member cannot attend the meeting, it is his responsibility to assure that an alternate, who is approved by the CRGR Chairman, attends the meeting.

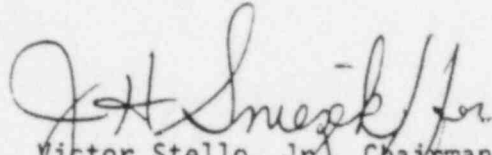
Persons making presentations to the CRGR are responsible for (1) assuring that the information required for CRGR review is provided to the Committee (CRGR Charter - IV.B), (2) coordinating and presenting views of other offices, (3) as appropriate, assuring that other offices are represented during the presentation, and (4) assuring that agenda modifications are coordinated with the CRGR contact (Walt Schwink, x28639) and others involved with the presentation. With regard to attendance at CRGR meetings, I request that Office Directors limit attendance of their staffs at CRGR meetings to those few senior staff needed to address the agenda item under discussion. As a minimum, Division Directors or higher management should attend meetings addressing agenda items under their purview.

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APR 3 1985

In accordance with the EDO's March 29, 1984 memorandum to the Commission concerning "Forwarding of CRGR Documents to the Public Document Room (PDR)," the enclosures, which contain predecisional information will not be released to the PDR until the NRC has considered (in a public forum) or decided the matter addressed by the information.


Victor Stello, Jr., Chairman
Committee to Review Generic
Requirements

Enclosures: As stated

cc: SECY
Commission (5)
W. J. Dircks
Office Directors
Regional Administrators
G. Cunningham
P. Norry
G. Arlotto
R. Burnett



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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AB46-1

MAY 16 1985

MEMORANDUM FOR: William J. Dircks
Executive Director for Operations

FROM: Victor Stello, Jr., Chairman
Committee to Review Generic Requirements

SUBJECT: MINUTES OF CRGR MEETING NUMBER 74

The Committee to Review Generic Requirements (CRGR) met on Wednesday, April 17, 1985 from 1-5 p.m. A list of attendees for this meeting is enclosed (Enclosure 1).

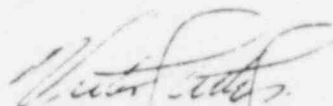
1. J. Richardson and G. Arndt (RES) briefed the CRGR concerning a forthcoming proposed revision of 10 CFR Part 50, Appendix J, Primary Reactor Containment Leakage Testing for Water-Cooled Power Reactors. Enclosure 2 summarizes this matter (Category 2 Item).
2. R. Burnett (NMSS) presented for CRGR review, a proposal to revise NRC reporting and recordkeeping requirements and guidance concerning safeguards events. The proposal includes:
 - a) Proposed amendments to 10 CFR Part 70, Domestic Licensing of Special Nuclear Material; Part 73, Physical Protection of Plants and Materials; and Part 74, Material Control and Accounting of Special Nuclear Material.
 - b) A conforming proposed Revision 1 to Regulatory Guide 5.62, Reporting of Physical Security Events.Enclosure 3 summarizes this matter (Category 2 Item).
3. P. Norry (ADM) presented for CRGR review, a proposed rulemaking to establish retention periods for recordkeeping requirements in 10 CFR Parts 4, 11, 21, 25, 30, 31, 32, 34, 35, 40, 50, 60, 61, 70, 71, 72, 73, 75, 95, 110 and 140. Enclosure 4 summarizes this matter (Category 2 Item).

Enclosures 2 through 4 of this document contain predecisional information and therefore will not be released to the Public Document Room until the NRC has considered (in a public forum) or decided the matters addressed by the information.

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MAY 16 1985

Questions concerning these meeting minutes should be referred to Walt Schwink (492-8639).



Victor Stello, Jr., Chairman
Committee to Review Generic
Requirements

Enclosures:
As Stated

cc: Commission (5)
SECY
Office Directors
Regional Administrators
CRGR Members
G. Cunningham
J. Richardson
G. Arndt
R. Burnett
P. Norry

Enclosure 3 to the Minutes of CRGR Meeting No. 74
Proposed Revision of NRC Reporting Recordkeeping
Requirements and Guidance for Safeguards Events

R. Burnett (NMSS) presented for CRGR review a proposal to revise NRC reporting and recordkeeping requirements and guidance concerning safeguards events. The proposals includes:

1. Proposed amendments to 10 CFR Part 70, Domestic Licensing of Special Nuclear Material; Part 73, Physical Protection of Plants and Materials; and Part 74, Material Control and Accounting of Special Nuclear Material.
2. A conforming proposed Revision 1 to Regulatory Guide 5.62, Reporting of Physical Security Events.

Attachment 1 is a copy of Mr. Burnett's presentation to the CRGR.

The proposed amendments are to clarify existing requirements that govern the reporting of safeguards events (incidents involving the physical security or scrutiny and control of certain licensed nuclear material, facilities and activities). Licensees affected are power and nonpower reactors, fuel cycle facilities, and certain transporters, importers and exporters of special nuclear material. The purpose of the reporting is to keep the NRC informed of events that potentially could endanger the public health and safety, the environment or affect national security. The reporting also provides an information base that is important for identifying and analyzing physical security issues which may be common to more than one facility or activity. As proposed, licensees would be required to report to the NRC, by telephone (within 1 hour), significant events such as the theft of special nuclear material (SNM), acts of destruction against nuclear material and facilities, or the failure of major physical security systems. Written follow-up reports would have to be submitted to the NRC within 30 days. Less significant events would be recorded within 24 hours in a licensee event log and copies of the log would have to be provided to the NRC every 3 months. In addition to the proposed changes in reporting times, a new format for the reports is being proposed in the Regulatory Guide Revision. The proposed format is to standardize reports from different licensees and thereby improve the information available to the NRC. The existing requirements that all safeguards events be reported to the NRC by telephone within 24 hours with written follow-up reports to be submitted within 5 days would be eliminated.

The CRGR endorsed the staff's goals, which are to (1) make safeguards event reporting more uniform and informative for responding to events and identifying generic issues; (2) eliminate unnecessary reporting of safeguards events especially unnecessary immediate notification (1 hour reporting) via the Emergency Notification System (ENS); (3) make safeguards event reporting relatively consistent with (but not duplicative of) reporting required by 10 CFR 50.72 (Immediate Notification Requirements for Operating Nuclear Power Reactor) and

10 CFR 50.73 (Licensee Event Reporting System); and (4) provide specific guidance (RG) concerning what, when and how safeguards events are to be reported. In addition to the benefits of having only substantive safeguards events reported, consistency and nonduplication, the staff estimated that cost savings of roughly \$600K and \$30K per year for industry and NRC respectively, would result from implementation of the proposal.

The CRGR viewed the revisions to the rules as improving the current safeguards event reporting requirements while at the same time reducing the regulatory burden on industry and the NRC. The Committee focused its review on the proposed RG revision which provides specific guidance (with examples) concerning what, when and how safeguards events should be reported.

In general, the staff intends that only those safeguards events that cannot be appropriately handled by the licensee's safeguards' system, need be reported immediately (within 1 hour) to the NRC. Such reporting would be required for events where there is unacceptable risk or where the safeguards system fails or is degraded and compensatory measures are not implemented or sufficient. The CRGR viewed the proposed RG revision as guiding licensees to report more than what was intended by the staff. Examples of the proposed guidance (RG) and clarifications offered by the CRGR, and acceptable to Mr. Burnett, follow:

Guidance in Proposed RG:

Attempted or confirmed intrusions into protected areas, material access areas, controlled access area or vital areas. This includes tailgating by employees/contractors to gain access to an area to which they are not authorized.

Clarification offered by the CRGR:

Purposefully attempted or confirmed intrusions into protected areas, material access areas, controlled access areas or vital areas. This includes tailgating by employees/contractors to gain access to an area to which they are not authorized.

Guidance:

Discovery of an introduction or attempted introduction of unauthorized weapons, explosives, or incendiary devices into the protected area, controlled access areas, material access areas, or vital areas.

Clarification:

Discovery of the actual or attempted introduction or possession of unauthorized weapons, explosives, or incendiary devices into or within the protected area, controlled access areas, material access areas, or vital areas.

Guidance:

Credible bomb threats or extortion threats. In addition, a telephonic follow-up report of the results of a bomb search should be made within 1 hour of

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completion. If a bomb threat is made where evidence suggests that it is not credible, it need not be reported.

Clarification:

Substantiated bomb or extortion threats. In addition, a telephone follow-up report of the results of a bomb search should be made within 1 hour of completion. Unsubstantiated bomb threats need not be immediately reported unless a specific organization or group claims responsibility, in this case, the threat must be reported within 1 hour.

Guidance:

Uncompensated suspension of safeguards controls during emergency conditions which could allow undetected and unauthorized access.

Clarification:

Uncompensated suspension of safeguards controls during emergency conditions which could allow undetected or unauthorized access. (Note: Events reportable under 10 CFR 50.72 do not require duplicate reporting under 10 CFR 73.71.)

Guidance:

Discovery of a criminal act involving licensee personnel or contractors (e.g., discovery of a conspiracy to bomb the facility or disturb its vital components, falsification of background screening certificates, etc.)

Clarification:

Discovery of a criminal act involving licensee personnel or contractors with the potential to impact facility operation or an individual's trustworthiness or reliability in the nuclear setting (i.e., discovery of a conspiracy to bomb the facility or disturb its vital components, falsification of background screening certificates, etc.)

Guidance:

Discovery of falsified identification badges, key cards, or locks and keys.

Clarification:

Discovery of intentionally falsified identification badges or key cards.

Guidance:

Discovery of unaccounted for or unassigned key cards, and ID card blanks, keys and lock sets, or any access device that could allow unauthorized and undetected access to protected areas, material access areas, controlled access areas, or vital areas if not properly compensated.

Clarification:

Discovery of uncompensated and unaccounted for, lost, or stolen key cards, ID card blanks, keys, or any access device that could allow unauthorized or undetected access to protected areas, material access areas, controlled access areas, or vital areas if the licensee's safeguards' system cannot account for the loss.

Guidance:

Fire or explosion of suspicious or unknown origin within the isolation zone, protected areas, material access area, controlled access area, or vital area.

Clarification:

Fire or explosion of suspicious or unknown origin within the isolation zone, protected area, material access area, controlled access area, or vital area. (Note: Events reportable under 10 CFR 50.72 do not require duplicative reports under 10 CFR 73.71.)

Guidance:

Compromise of safeguards information which would significantly assist an individual in an act of radiological sabotage or theft of special nuclear material.

Clarification:

Compromise of safeguards information (including loss or theft) which would significantly assist an individual in an act of radiological sabotage or theft of special nuclear material.

While the aforementioned examples are not all inclusive, there was sufficient basis for both the CRGR and Mr. Burnett to agree that the proposal should be modified as noted above and carefully reviewed by the staff to assure that the proposal will not inadvertently cause reporting that is unnecessary. For example, the CRGR discussed with Mr. Burnett the matter of unaccounted for badges and reporting such events. It was not clear to the Committee or Mr. Burnett whether badge loss occurs frequently and whether each loss is promptly reported to the NRC. Nevertheless, the RG revision calls for immediate notification (1 hour) of badge loss. The CRGR was concerned that this guidance could result in an increase in unnecessary reporting via the ENS.

Mr. Burnett stated that he would promptly review the proposal to assure that safeguards event reporting is appropriate and submit for CRGR consideration his findings along with any resulting proposal modifications. Furthermore, he indicated that he would promptly examine the matter concerning badge loss and report his findings to the CRGR.

In summary, the CRGR recommended that the proposal be modified to incorporate above clarifications and reviewed by the staff to assure that both immediate and other reporting of safeguards events are necessary and timely. After consideration of the findings of such a review, the Committee will decide whether further CRGR consideration of the proposal is necessary.

Attachment * to Enclosure 3 of the CRGR
Meeting #74 Minutes

SCHWINK
APR 17 1985

CRGR BRIEFING

PROPOSED REVISIONS TO 10 CFR 73.71

REPORTING REQUIREMENTS FOR SAFEGUARDS EVENTS

APRIL 17, 1985

A1346-1

OVERVIEW

- o Reporting requirements for safeguards incidents
 - Actual, attempted theft of SNM
 - Threats
 - System failures
- o Present requirements
 - Complicated
 - Inconsistent
- o Proposed requirements
 - Standardize
 - Reduce burden

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JUSTIFICATION FOR REVISION

1. Clarifies reporting requirements
2. Eases burden on licensees
3. Provides for categorization of events by NRC/FBI (not licensees)
4. Establishes comparable level of reporting for safety and safeguards events
5. Responds to petition for rulemaking

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APR 10 1985

CURRENT REQUIREMENTS

- o Ambiguous
 - Abstract terms.
 - Reporting times
 - NRC contact for reporting events
 - Content of reports
- o Categorization of events inconsistent with Atomic Energy Act/FBI policy

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PROPOSED REVISED REQUIREMENTS

- o Clarification
 - Events reported
 - Reporting procedures
 - Reporting time periods
 - Content of reports
- o Reduction in licensee burden
- o Provides for NRC/FBI categorization of events (not licensees)

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BENEFITS OF RULE CHANGE

1. Reduces telephonic/written report burden by 80% with no degradation to safeguards
2. Places actual categorization of events with NRC not licensees
3. Simplifies requirements
4. Provides cost savings to licensees and NRC
5. Conforms categorization of events with Atomic Energy Act/FBI policy
6. Improves NRC data base for assessing generic issues.
7. Provides comparability in reporting of safety and safeguards events

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COMPARISON OF
REPORTING REQUIREMENTS -
§50.72/§50.73 AND PROPOSED §73.71

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CONTENT

§50.72

- 0 EMERGENCY/NON EMERGENCY SAFETY EVENTS
- 0 IMMEDIATE NOTIFICATION REQUIREMENTS
- 0 ONE/FOUR HOUR REPORTING
- 0 POWER REACTOR LICENSEE ONLY

§73.71

- 0 SAFEGUARDS EVENTS
- 0 IMMEDIATE & FOLLOW-UP REPORTING
- 0 ONE HOUR /30 DAY/ QUARTERLY SUBMITTED LOG
- 0 REACTOR FACILITIES, CAT I, CAT II, CAT III TRANSIT
CAT I, CAT II FIXED SITES SPENT FUEL

§50.73

- 0 EMERGENCY/NON EMERGENCY SAFETY EVENTS
- 0 LICENSEE EVENT REPORTING SYSTEM
- 0 30 DAY REPORTING
- 0 POWER REACTOR LICENSEES ONLY

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1.

FORMAT OF REQUIREMENTS

§50.72/§50.73

- 0 SEPARATE SECTIONS FOR IMMEDIATE VS 30 DAY REPORT
- 0 REPORTABLE EVENTS LISTED REDUNDANTLY IN EACH SECTION
- 0 CONTENT OF WRITTEN REPORT SPECIFIED BY REQUIREMENT

§73.71

- 0 IMMEDIATE /30 DAY REPORT REQUIREMENTS IN ONE SECTION
- 0 REPORTABLE EVENTS LISTED IN APPENDIX AND REFERENCED
- 0 CONTENT OF WRITTEN REPORT SPECIFIED BY REGULATORY GUIDE

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TYPES OF EVENTS REPORTED

\$50.72/550.73

0 EMERGENCY CLASS EVENTS SPECIFIED IN EMERGENCY PLAN

0 NON EMERGENCY EVENTS

- PLANT SHUTDOWN REQUIRED BY TECH. SPECS.

- DEVIATION FROM TECH. SPEC.

- SERIOUSLY DEGRADED SAFETY BARRIERS

- CERTAIN NATURAL PHENOMENON

- MAJOR LOSS OF EMERGENCY ASSESSMENT CAPABILITY

- THREATS TO SAFETY

- SPECIFIED RADIOACTIVE RELEASE

- SAFETY EVENTS FOR WHICH PRESS RELEASE PLANNED

\$73.71

0 LOST SHIPMENTS SNM

0 ACTS, ATTEMPTS, THREATS

- THEFT SNM

- FACILITY, TRANSPORT, FUEL DAMAGE

- INTERRUPT PR OPERATION

0 UNCOMPENSATED SG FAILURES ALLOWING ACCESS TO PA, VA, MAA, CA

0 UNAUTHORIZED ENTRY THROUGH REQUIRED BARRIER

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3.

REPORTING

\$50.72

- 0 ONE/FOUR HOUR TO OPS CENTER VIA ENS/COMMERCIAL BACKUP
- 0 IMMEDIATE FOLLOW-UP PROVISION
- 0 OPEN COMMO CHANNEL

\$73.71

- 0 ONE HOUR TO OPS CENTER VIA ENS/COMMERCIAL BACKUP
- 0 REPORT RECOVERED SHIPMENT WITHIN ONE HOUR
- 0 OPEN COMMO CHANNEL

\$50.73

- 0 30 DAY REPORT ON NRC FORM 366
- 0 TO DCD + REGION
- 0 SUPPLEMENTAL INFORMATION BY REVISED REPORT

- 0 30 DAY REPORT ON NRC FORM 366/ LETTER FORMAT
- 0 TO DCD + REGION
- 0 SUPPLEMENTAL INFORMATION BY PHONE TO REGION AND BY REVISED REPORT
- 0 QUARTERLY SUBMITTED LOG TO DCD

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