

REGULATORY ANALYSIS

Modifications to 10 CFR 50.72, "Immediate notification,"
10 CFR 50.73, "Licensee event report system," and
10 CFR 72.216, "Reports"

(July 2000)

Proposed Action

The Nuclear Regulatory Commission (NRC) is amending the event reporting requirements for nuclear power reactors and independent spent fuel storage installations in 10 CFR 50.72, 50.73, and 72.216 to:

- (1) update the current rules, including reducing or eliminating the reporting burden associated with events of little or no safety significance and
- (2) better align the rules with the NRC's current needs, including revising reporting requirements based on importance to risk and extending the required reporting times consistent with the need for prompt NRC action.

Statement of the Problem

Experience with the current rules has indicated they are in need of change in several areas. For example:

- (1) There is a need to reduce or eliminate the reporting burden associated with events of little or no safety significance; the final amendments eliminate reporting of those design problems that are insignificant and those cases of late surveillance tests that are insignificant.
- (2) There is a need to better align the rules with the NRC's current needs; the final rules extend the required initial reporting times for some types of events to be more consistent with the actual need for prompt NRC action.
- (3) There is a need to obtain information better related to risk; the final amendments revise the requirement to report safety system actuation in order to: (1) reduce reporting for systems and/or events with minimal risk significance, and (2) increase consistency of reporting for systems of greater risk significance.

Objectives

The objectives of these final amendments are as follows:

- (1) To better align the reporting requirements with the NRC's needs for information to carry out its safety mission. An example is extending the required initial reporting times for some events, consistent with the time at which the reports are needed for NRC action.
- (2) To reduce the reporting burden, consistent with the NRC's needs. An example is eliminating the reporting of design and analysis defects and deviations with little or no risk- or safety-significance.
- (3) To clarify the reporting requirements where needed. An example is clarifying the criteria for reporting design or analysis defects or deviations.
- (4) Any changes should be consistent with NRC actions to improve integrated plant assessment.

Alternatives

The only reasonable alternative that has been identified is to take no action.

Consequences

1. Status Quo

This is the base case. The incremental values and impacts for the base case are zero. However, maintaining the status quo would result in continued submittal of the some reports which the NRC has now identified as unneeded.

2. Proposed Action

The one-time implementation costs to licensees are estimated to be about 70 hours per reactor for revising procedures and about 130 hours per reactor for training. This yields an estimated burden increase of about 20,800 hours, or about 200 hours per reactor for 104 operating reactors.

A key benefit of the proposed amendments would be a reduction in the recurring annual reporting burden on licensees, as a result of reducing the efforts associated with reporting events of little or no risk or safety significance. Based on a review of past reports, the proposed amendments are expected to result in about 180 fewer telephone notifications per year and about 270 fewer written licensee event reports (LERs) per year under 10 CFR 50.72 and 50.73. It is estimated that licensees expend 1.5 hours per telephone notification and 50 hours per written LER for the events involved. This yields an estimated recurring annual burden reduction of about 13,770 hours per year industry-wide, or about 132 hours per reactor per year.

The NRC's recurring annual review efforts for telephone notifications will not be significantly reduced because the operations officer and daily event screening systems would remain about the same. For similar reasons, the NRC's recurring annual review efforts for written LERs will not be significantly reduced.

The estimated changes in cost or burden have been discounted to present value using a 7-percent real discount rate¹ and 20-year plant life, summed, and rounded to the nearest 1000 hours or \$100,000. The results, in terms of hours, are presented in Table 1. The same results, converted to dollars at a value of about \$78 per hour² and rounded to the nearest \$100,000 are presented in Table 2.

¹ A real discount rate of 7 percent was used, as specified in OMB Circular A-94. Use of a more realistic 3-percent rate would not change the basic conclusion. It would make the proposed action appear more attractive because the benefits, which are in the future, would have a greater present value.

² NUREG/BR/1084, "Regulatory Analysis Technical Evaluation Handbook," January 1997, Page 5.55, provides a value of \$67.50 per hour in 1996 dollars for NRC technical personnel. (Those involved in rulemaking and reviewing LERs would be technical personnel.) This includes allowances for benefits, management and secretarial support. This translates into about \$78 per hour in current dollars. The same figure is appropriate for licensee technical personnel who will be involved in procedure writing, training and reporting.

Table 1

Estimated Changes in Cost or Burden in Terms of Hours

	One time implementation costs	Recurring annual costs (savings)	Present value of recurring annual costs (savings)	Net effect: Present value of all costs (savings)
Changes in industry costs	21,000	(14,000)	(148,000)	(127,000)
Changes in NRC costs	not applicable ³	not significant	not significant	not significant

Table 2

Estimated Changes in Cost or Burden in Terms of Dollars

	One time implementation costs	Recurring annual costs (savings)	Present value of recurring annual costs (savings)	Net effect: Present value of all costs (savings)
Changes in industry costs	1.6 Million	(1.1 Million)	(11.5 Million)	(9.9 Million)
Changes in NRC costs	not applicable ⁴	not significant	not significant	not significant

Decision Rationale

The benefits of the proposed action (which consist of reduced recurring costs) outweigh the costs (which consist of one-time implementation costs).

³ The NRC's implementation costs consist of developing the rule. Thus, they have already been expended by the time the Commission decides on whether to approve the final rule.

⁴ See Footnote 3.