

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

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TECHNICAL SPECIFICATIONS

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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BRIEFING ON PROPOSED CHANGES TO
10 CFR 50.36 - TECHNICAL SPECIFICATIONS

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PUBLIC MEETING

Nuclear Regulatory Commission
One White Flint North
Rockville, Maryland

Wednesday, July 20, 1994

The Commission met in open session,
pursuant to notice, at 3:00 p.m., Ivan Selin,
Chairman, presiding.

COMMISSIONERS PRESENT:

IVAN SELIN, Chairman of the Commission
KENNETH C. ROGERS, Commissioner
E. GAIL de PLANQUE, Commissioner

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STAFF SEATED AT THE COMMISSION TABLE:

JOHN HOYLE, Acting Secretary

KAREN CYR, Office of the General Counsel

JAMES TAYLOR, Executive Director for Operations

WILLIAM RUSSELL, Director, NRR

BRIAN GRIMES, Director, Division of Operating Reactor
Support, NRR

CHRISTOPHER GRIMES, Chief, Technical Specifications
Branch, NRR

NANETTE GILLES, Technical Specifications Branch, NRR

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P-R-O-C-E-E-D-I-N-G-S

3:00 p.m.

COMMISSIONER ROGERS: Chairman Selin is not sure when he's going to be able to make it here. So, he's called and asked me to start the meeting and we'll do that.

This afternoon the NRC staff is briefing the Commission on the proposed rulemaking for changes to 10 CFR 50.36, technical specifications. The Commission had directed this rulemaking to codify criteria contained in the final policy statement on improvements to technical specifications which was published in July of 1993.

A copy of the slides and the Commission paper are available at the entrances to this room.

Any other comments?

Mr. Taylor?

MR. TAYLOR: Good afternoon. With me at the table are Bill Russell, Brian Grimes, Chris Grimes and Nanette Gilles from the Office of Nuclear Reactor Regulation. Bill Russell will start the presentation.

MR. RUSSELL: Our purpose in briefing you today is to discuss the proposed rule change, but also more broadly to put the technical specification improvement program in context as it fits in with

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1 other regulatory improvements that are ongoing. Our
2 principal focus is going to be on safety as it relates
3 to content of requirements which are contained within
4 the technical specifications.

5 An important aspect of the rulemaking
6 will, for the first time, establish specific criteria
7 that can be used to judge whether a particular
8 requirement is appropriate to be in technical
9 specifications or in some other regulatory control
10 document such as the Final Safety Analysis Report,
11 licensee procedures, a license condition or some other
12 vehicles to control that item.

13 Over the past history, we've not had some
14 of the same tools to look at requirements in an
15 integrated way and we have, in fact, developed them
16 over time. Many of them do not have the same safety
17 significance as others. There is quite a spectrum.
18 In fact, we have now conducted a review using the
19 proposed criteria. That was done a few years ago to
20 establish what we called a split document to basically
21 separate the then standard tech specs into the items
22 which were more significant as compared to those which
23 were of lesser significance and could be controlled
24 through mechanisms other than formal technical
25 specifications.

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1 We continue to work with that and, in
2 fact, have developed model technical specifications
3 based upon that approach for each of the reactor
4 vendor types, in fact two for boiling water reactors,
5 and have now implemented that on the first facility.
6 It's also been used in the advanced reactor reviews.
7 So, the process that we're using is consistent.

8 We'd like to comment that by having
9 requirements in technical specifications which are not
10 as safety significant or which are unnecessary, the
11 potential exists for diverting both staff and NRC
12 resources to issues which are not as safety
13 significant. As we've looked to improving
14 efficiencies within the NRC, the resource issues that
15 are facing the staff over the next four years, it's
16 important to eliminate issues from the regulatory
17 plate which are not as significant to safety.

18 We believe that this approach is fully
19 consistent with the recommendations of the Regulatory
20 Review Group and is consistent with the actions that
21 we have underway there, particularly as it relates to
22 cost beneficial licensing actions. I would submit
23 that conversion to the new standard tech specs is both
24 efficient and one which can be cost beneficial. We've
25 learned from Crystal River that the result of their

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1 conversion, that they have recouped the cost of the
2 conversion process in their first outage with their
3 experience under these new technical specifications
4 based upon the additional flexibility it gave them and
5 the number of things that they were able to accomplish
6 in parallel.

7 We do have limited resources to implement
8 these programs. We believe that the most efficient
9 way is a full conversion. But as you'll hear in a
10 moment from Chris Grimes, we have also provided for
11 line item improvements, those areas where we've
12 identified changes are appropriate from a safety
13 standpoint, where we have completed and issued a
14 generic safety evaluation and have made that available
15 for all licensees through a generic letter process.
16 Those also are quite efficient to implement in that
17 they can generally be done by the project manager
18 based upon that generic safety evaluation.

19 The issue I'd like to emphasize and I
20 raised this at the Regulatory Information Conference
21 and I've raised it with a number of utilities, is that
22 while there are some 13 line item improvements that
23 are available, when you spread that over the number of
24 plants that we have, we would expect that there would
25 be more licensees taking advantage of these and, in

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1 fact, eliminating requirements which we have said are
2 not necessary to be in technical specifications.

3 Unfortunately, we are not getting the high
4 turnaround on these issues that we would expect. It
5 is improving. We're trying to get the word out and we
6 believe as licensees look more to cost and efficiency
7 issues, that they will also be interested in
8 eliminating requirements that are not significant.
9 But this is one that has been slow, although we are
10 seeing some signs of improvement and we'll discuss
11 that with you during the course of the briefing.

12 With those opening remarks, I'd like to
13 turn it over to Chris.

14 MR. C. GRIMES: Thank you, Bill.

15 (Slide) Can I have slide 2, please.

16 Fortunately, between Commissioner Rogers'
17 opening remarks and Mr. Russell's opening remarks,
18 you've covered about 80 percent of my briefing. So,
19 let me try and go back and capture a few of those
20 thoughts.

21 First, as Commissioner Rogers pointed out,
22 in March 1993 the staff presented a proposed final
23 policy statement on technical specification
24 improvements to the Commission and that was in
25 Commission paper 93-067. In the proposed final policy

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1 statement we presented four criteria on the content of
2 technical specifications. The resulting staff
3 requirements memorandum approved the final policy
4 statement, but at the same time directed the staff to
5 publish a proposed notice of a rulemaking to
6 incorporate the criteria into the regulations.

7 In Commission paper 94-156 that we're
8 discussing today, the staff has presented a proposed
9 change to Part 50.36 which very simply includes the
10 criteria under limiting conditions for operation in
11 such a way that licensees can voluntarily adopt the
12 criteria to relocate requirements from existing
13 licenses. The criteria would be mandatory for future
14 license content and new regulatory requirements.

15 (Slide) Could I have slide 3, please?

16 The criteria are the same in substance as
17 those that were presented in the interim policy
18 statement in 1987 which marked the beginning of the
19 technical specification improvement program.
20 Criterion 4 was added in the proposed final policy
21 statement which incorporates as an explicit criterion
22 a safety perspective that was described in the interim
23 policy statement.

24 The NRC and licensees have now had
25 considerable experience in the application of these

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1 criteria through the development of the split report
2 that Mr. Russell referred to earlier, which was in May
3 1988, and the five sets of improved standard tech
4 specs which were published in September 1992.

5 Criterion 4 is the provision that includes
6 operating experience and probabilistic analysis which
7 may identify safety significant matters that should be
8 included in tech specs.

9 The interim policy statement identified
10 four specific safety functions that are captured by
11 criterion 4: isolation cooling; residual heat removal;
12 reactor coolant pump trip; and standby liquid control.
13 However, the staff expected when we proposed the final
14 policy statement, and continues to expect today, that
15 the future evolution of safety goal implementation of
16 planned and event analysis will identify a better
17 perspective on safety features, perhaps more plant
18 specific in nature, that should be addressed in
19 technical specifications.

20 To improve the understanding and
21 usefulness of criterion 4, the proposed rule change
22 specifically requests public comments on the
23 application of this criterion. This approach will
24 also respond to the ACRS questions regarding the
25 explanation of "significant to safety" as that term is

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1 used in the application of criterion 4 without getting
2 ahead of or delays by the policy development efforts
3 for safety goals and probabilistic analysis
4 applications.

5 (Slide) May I have slide 4, please?

6 MR. RUSSELL: Could I just add one point
7 on criterion 4? This is significant because we've
8 said that we propose that this be mandatory for future
9 designs. The Commission has had before it a staff
10 paper on regulatory treatment of non-safety systems as
11 it relates to the passive designs and we have
12 developed a process using a design-specific PRA and
13 broadly performing sensitivity studies to determine
14 the relative significance of what would be non-safety
15 systems which in the past have historically been
16 safety systems. We think that this criterion 4 would
17 have application as it would relate to what may be the
18 appropriate regulatory controls for some of those non-
19 safety systems if in the process of doing the review
20 we determine that they are significant from a safety
21 standpoint. For example, if there is uncertainty in
22 how some of the passive systems would perform, but the
23 active non-safety systems have the capability of
24 performing the function, that may provide a basis for
25 including that in the technical specifications.

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1 So, while we are limited generally to the
2 four systems that Chris described based upon the
3 current generation of plants and what our experience
4 is, we could see additional systems being added as we
5 look at other designs.

6 COMMISSIONER ROGERS: Just -- you use the
7 word "safety goals." Do you mean the NRC safety goals
8 as such?

9 MR. RUSSELL: Yes.

10 MR. C. GRIMES: But I said that and very
11 quickly said at the same time, "and whatever guidance
12 is developed by the PRA working group for application
13 of probabilistic analysis." So, we see that as a very
14 broad, sweeping area that we don't want to get ahead
15 of and, at the same time, we want to be cognizant of
16 it and allow for it as a provision for defining
17 technical specifications. If any of that information
18 identifies a safety feature that either for a class of
19 plants on a plant-specific basis is determined to be
20 safety significant and whatever form that term is
21 ultimately defined as or clarified as, we want that to
22 be addressed in technical specifications because
23 that's their purpose.

24 COMMISSIONER ROGERS: Well, the concern
25 that occurred to me was that with respect to the use

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1 of the safety goals the Commission directed the staff
2 at one time that they are not to be used in themselves
3 as regulatory requirements. I just wonder whether
4 you're coming close to that here or not.

5 MR. C. GRIMES: I meant to state clearly
6 that we're trying not to do that, but we're allowing
7 a way to include a thought in the regulations that
8 will allow for whatever that future holds. So far,
9 all we have included in the improved standard tech
10 specs using criterion 4 are the four safety functions
11 that were listed in the 1987 policy statement. If we
12 intended on proposing any others, we would use the
13 backfit rule to use whatever probabilistic basis we
14 felt justified requiring something further than that.

15 MR. B. GRIMES: That's for operating
16 plants the backfit rule would apply.

17 MR. C. GRIMES: Yes, right.

18 MR. RUSSELL: And the discussion I
19 provided in how we would use the regulatory treatment
20 of non-safety systems in the passive designs would be
21 a mechanism where this could apply. In that context,
22 we would not be imposing requirements on systems
23 should we determine broadly that the probabilistic
24 assessment of the design is, in fact, consistent with
25 the Commission safety goals and our other regulatory

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1 requirements. So, this is not a mechanism to impose
2 design requirements, it's to say where you already
3 have design requirements and from a sensitivity study
4 you see that they are significant, an appropriate way
5 of imposing regulatory control maybe through tech
6 specs, or you could do it through other mechanisms.

7 We would also see having these criteria
8 specified becomes a test for the staff because in many
9 cases the staff has proposed to incorporate tech specs
10 in licenses which don't meet these criteria. So,
11 there's a burden on the staff to show that in order to
12 compose the technical specification you've either got
13 to have some operating experience, some safety
14 significance or meet one of the more deterministic
15 criteria before including it in technical
16 specifications.

17 MR. C. GRIMES: (Slide) Going on to slide
18 4, process efficiencies, the greatest benefits of the
19 improved standard tech specs, or perhaps another way
20 for me to say that would be the greatest application
21 of these four criteria are complete conversion to the
22 improved standard tech specs to fully realize these
23 criteria. That provides a way for the industry and
24 the NRC staff to get some return on the \$30 million in
25 five years they invested in the practice of applying

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1 their criteria. It provides a way to achieve the
2 operator friendly/operator useful format of the
3 improve tech specs and provide a consistent language
4 and a clearer bases for what these requirements are
5 supposed to achieve.

6 Line item improvements are a significant
7 step in the direction of applying these criteria for
8 specific technical specification changes that can be
9 adopted by a large number of licensees sooner than a
10 complete conversion. Process improvements center
11 around the use and maintenance of the standard tech
12 specs as part of the routine practices associated with
13 license amendments.

14 All of the practices related to license
15 amendments, workload management and technical
16 specifications are being revised to incorporate
17 efficiencies through license amendment screening.
18 I'll discuss each of these areas in more detail. Keep
19 in mind that the general approach to these process
20 improvements, as Mr. Russell pointed out, is
21 consistent with the overall objectives as presented by
22 the Regulatory Review Group recommendations, the
23 efforts to define marginal to safety and the
24 proprieties for cost beneficial licensing actions.

25 (Slide) May I have slide 5, please?

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1 In the area of complete conversions, Mr.
2 Russell pointed out that the lead B&W plant, Crystal
3 River Unit 3, has been completed. They began the
4 conversion process shortly after the issuance of the
5 improved standard tech specs, with piecemeal
6 submittals leading to a final license amendment which
7 was issued on December 20th, 1993. The new technical
8 specifications became effective March 12th, 1994. As
9 Mr. Russell pointed out, during the Regulatory
10 Information Conference, Mr. Widell from Florida Power
11 Corporation reported that the cost of their
12 conversion, which they estimated to be about
13 \$850,000.00, was recouped during the first outage this
14 past spring.

15 We have yet to conduct an audit of the
16 Crystal River technical specifications to confirm that
17 the relocated requirements have all been put in their
18 proper places and that the safety evaluation bases was
19 done properly. We are waiting for an opportune time.
20 And given that this was the first one, we want to make
21 sure that we construct the audit in such a way that we
22 go out and look for the right kinds of success
23 measures that Chairman Selin suggested that we go look
24 for when we described the final policy statement.

25 Upon completion of all of the lead plants,

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1 we expect to go out and test how well we have done by
2 looking at numbers of license amendments, need for
3 enforcement discretion, performance indicators and
4 that sort of information in order to identify ways to
5 continue to make improvements in this program. The
6 staff expects to wait for about a year's worth of
7 experience with each of the lead plants before
8 attempting to determine how successful we've been.
9 You note that the slide 5 presents the projected
10 completion dates. This is going to be a very busy
11 fall for us.

12 (Slide) Particularly, if you'll turn to
13 slide 6 --

14 CHAIRMAN SELIN: Could you just say
15 something about the "for us," Mr. Grimes? Is there a
16 chance there will be a hold-up in this? They can
17 basically go ahead and put the improved standard tech
18 specs in and do they need active approval from us?

19 MR. RUSSELL: Once we do it through a
20 license amendment, they can go ahead and put them in
21 place. It does require a license amendment to
22 initiate. However, the audits that we're talking
23 about and getting the measures as to how effective the
24 program is, we have some control over that. We can
25 defer that to a later time.

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1 CHAIRMAN SELIN: Well, how about the
2 effort to do the license amendment? Is that almost a
3 generic amendment or does that involve a lot of
4 detail?

5 MR. RUSSELL: It does involve a
6 substantial amount of detail because you've got to put
7 the numbers and the values on a plant-specific basis.
8 We are staffed to do that. There was some impact on
9 the conversion schedules as a result of diverting
10 resources to the advanced reactor reviews in order to
11 complete the technical specifications for the ABWR and
12 the CE 80+, which is why he says he has a busy
13 schedule this fall.

14 MR. C. GRIMES: And we are using some
15 contractor resources also now to make sure we try to
16 stay off the critical path for these licensees as much
17 as we can.

18 CHAIRMAN SELIN: But the current resources
19 are consistent with the schedule --

20 MR. RUSSELL: Yes.

21 MR. C. GRIMES: For the near-term plants,
22 depending on the popularity of this process, we may
23 have to look at more innovative ways to get the work
24 done in the future. But right now we're holding our
25 own.

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1 MR. RUSSELL: In fact, we've gone from a
2 few licensees actually pursuing this to the point
3 where we have not only the ones on this list that have
4 already submitted, but quite a number that are coming
5 in. I've been discussing with other licensees the
6 benefit of eliminating unnecessary requirements and
7 encouraging them to come in. If necessary, we will
8 just divert resources that are available for license
9 amendment reviews into technical specification
10 improvements because you can conduct a number of them
11 all at one time.

12 CHAIRMAN SELIN: At the same time. I've
13 been trying to explain to you the relation between
14 supply, demand and price. Is there an inconsistency
15 between going for a complete diversion and going for
16 line item improvements? I mean is that an either/or
17 decision?

18 MR. C. GRIMES: No. As a matter of fact,
19 many of the follow-on plants that have indicated an
20 interest in conversion have said that they're going to
21 start off by taking the big line item improvements as
22 intermediate license amendments. In fact, the license
23 amendment process is actually determined by the
24 findings that we have to make in accordance with legal
25 requirements for the basis for granting a license

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1 amendment and ensuring that the appropriate controls
2 over the relocated requirements will be achieved.

3 Our bigger problem with the licensees have
4 been that they want to try and do design changes at
5 the same time as the conversion and they confuse the
6 translation. If we can keep the license conversions
7 simple and straightforward, they can be fairly
8 efficient.

9 CHAIRMAN SELIN: But to say, "Hold off on
10 your design changes until we do the conversion," is
11 that a sensible thing from the licensee's point of
12 view?

13 MR. C. GRIMES: Just time them properly.
14 Most of the licensees that are talking to us about
15 conversions are looking at conducting it over a three
16 year period where through careful management of the
17 design changes in the conversion review, so long as we
18 can keep them separate, clearly separated, the
19 conversion license amendment can be fairly
20 straightforward. As I said, the Florida Power
21 Corporation estimated that their conversion was
22 \$850,000.00. That's cheap by license amendment
23 practices.

24 CHAIRMAN SELIN: It usually costs you more
25 to get a blank piece of paper through the staff.

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1 MR. C. GRIMES: It costs \$25,000.00 to get
2 a blank piece of paper through the staff.

3 CHAIRMAN SELIN: I see. I see. It's a
4 statistic which probably could not stand up to cross
5 examination.

6 MR. TAYLOR: This was not part of the --

7 CHAIRMAN SELIN: It wasn't part of the
8 presentation. But let's keep on this for --

9 COMMISSIONER ROGERS: Just -- someplace
10 along the way I'd like to understand a little bit
11 better the relationship between relocation of a tech
12 spec and a change in the tech spec on the basis of a
13 PRA analysis that reveals that the tech spec as
14 written is really inappropriate. It's in the right
15 place, but it just doesn't -- wasn't soundly based.
16 When you go and you do a proper modern PRA analysis,
17 you find out that it is either inadequate or it is too
18 overbearing in some way and where that kind of change
19 of tech spec activity fits into this.

20 When you say that the review is complete
21 for Crystal River, did that entail any changes in tech
22 specs other than a relocation of them? In other
23 words, inconsistent with your criteria.

24 MR. RUSSELL: If you wait until we go
25 through --

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1 COMMISSIONER ROGERS: Okay.

2 MR. RUSSELL: -- we can give you the
3 examples of the line item improvements, then come back
4 to that because line item improvements are things
5 which generally are not relocated but are deemed to no
6 longer be necessary --

7 COMMISSIONER ROGERS: All right. Fine.

8 MR. RUSSELL: -- as compared to a number
9 of things which are in the conversion which are
10 relocated and then subject to licensee review under
11 50.59. They can determine through a 50.59 process
12 it's no longer required or to modify it and it does
13 not require a subsequent license condition or license
14 change to do that.

15 COMMISSIONER ROGERS: All right.

16 CHAIRMAN SELIN: That sort of brings up
17 the other question I was going to ask. If a licensee
18 does half a dozen major line item improvements and
19 then goes on to do the full conversion, how would the
20 cumulative cost compare with just doing the conversion
21 from scratch? Do you have any feeling for that?

22 MR. C. GRIMES: The numbers are really too
23 varied to paint a clear picture. It depends on what
24 size line item improvements. As I go through the line
25 item improvements, I'll try and give you some picture

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1 of that. But a lot of it also varies from licensee to
2 licensee in the way that their financial management
3 practices vary. Some licensees are reporting costs,
4 projected costs of twice as large as other licensees
5 for about the same level of work simply by virtue of
6 the way that they take credit or don't take credit for
7 what pays for procedure rewrites and operator training
8 and other things. I apologize for the overly flip
9 remark about the processing cost.

10 CHAIRMAN SELIN: I thought it was
11 delightful. In morning sessions we wouldn't
12 appreciate that, but in an afternoon session it's very
13 appropriate.

14 MR. C. GRIMES: We've been looking very
15 closely at ways to keep the process as simple as
16 possible and I'll touch upon Commissioner Rogers'
17 question I think toward the end when we talk about the
18 future.

19 CHAIRMAN SELIN: The last thing is did you
20 have any -- it's sort of funny that the first plant is
21 a B&W plant and then there aren't anymore on the list
22 for quite awhile. Is that just a fluke?

23 MR. RUSSELL: I think it's sort of like
24 cost beneficial licensing actions. We see a few
25 licensees that are aggressively pursuing this and

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1 taking advantage of the relief that is available and
2 others are not. In fact, at the Regulatory
3 Information Conference I commented that I suspect that
4 when generic letters come through and they're
5 indicated as being voluntary, that that might go in
6 someone's hold box for awhile because it's not
7 imposing a requirement and that they may not have been
8 looking at it from the standpoint of what kind of
9 relief is potentially available if I were to implement
10 this and how difficult is it to implement. So, they
11 set that aside for awhile.

12 We did get quite a large turnout at that
13 session. We thought it was going to be one of the
14 smaller ones. It was in a small room and we actually
15 had people standing out in the halls. We are now
16 proposing to go out with an administrative letter to
17 remind them of all the line item improvements that do
18 exist that they can take advantage of. If they do a
19 conversion, you get all the line item improvements at
20 the time you do the conversion.

21 So, we've tried to make this more
22 attractive for them with generic safety evaluations,
23 with relatively easy processing through the NRC, with
24 a number of licensees that have already done it that
25 they can point to and see the benefit of it. But we

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1 still are not seeing the kind of total participation
2 that we'd like.

3 COMMISSIONER ROGERS: Have you -- I think
4 when we were sort of at this point earlier and you had
5 mentioned, a year or so ago, I don't remember the last
6 time we heard about this, that there wasn't as much
7 enthusiasm as you'd expected. I think I raised the
8 question at that time, what about the owners's groups?
9 Have they participated in this as entities or has this
10 really been a plant by plant kind of --

11 MR. RUSSELL: They have participated very
12 heavily in the earlier phases of it, up through
13 completion and issuance of the standard technical
14 specifications. We are hopeful that they will
15 continue to participate, although that level is
16 dropping off, particularly as it relates to the
17 lessons learned from the lead plant conversions and
18 the number of changes that have been identified
19 through that learning process of actually implementing
20 the change. We would like to use the owners' groups
21 as a forum to discuss these changes, make sure that
22 there's agreement with them so that we can keep this
23 standard approach and not have ten different standard
24 tech specs within a particular reactor type.

25 So, we've been having a dialogue with NEI

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1 and with the owners' groups to try and have some
2 mechanism for facilitating communication. The recent
3 encouraging aspect is the number of licensees that are
4 now proposing to come in. So, we may be able to get
5 this generated into a next phase.

6 COMMISSIONER ROGERS: The experience of
7 Crystal River as a license amendment, did they have --
8 was there a public hearing on that? No. So, there
9 was no request for such a public hearing and so there
10 was no public hearing, I take it.

11 MR. C. GRIMES: Correct.

12 COMMISSIONER ROGERS: Do you think that's
13 one of the concerns?

14 MR. RUSSELL: No. The licensees that I've
15 talked to, it's more an issue of what do they do with
16 their resources and what resources are available now
17 and adding additional cost, even if it's got a long-
18 term payoff, they look at very closely in the near-
19 term because of competition. My view is that the more
20 requirements they leave on their plate that we've
21 concluded are unnecessary, the more regulatory
22 exposure they got. From a risk avoidance standpoint,
23 we ought to be eliminating from their license.

24 CHAIRMAN SELIN: Furthermore, they ought
25 to be making the investment today when they're still

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1 on a cost reimbursable basis --

2 MR. RUSSELL: Absolutely.

3 CHAIRMAN SELIN: -- before the get into
4 more of a competitive marketplace. Just try to clean
5 up as much of this stuff as they -- and writing off
6 unnecessary expenses and reducing the recurring costs.

7 MR. B. GRIMES: I think the Crystal River
8 experience is going to be very significant in those
9 decisions because people have been looking at perhaps
10 a three year pay back for their investment. Crystal
11 River has said they've paid it back in one refueling
12 outage. So, that brings it within the one year time
13 frame and I think people will look more favorably on
14 that return.

15 MR. C. GRIMES: I also want to mention the
16 status of the other lead plants is that: Hatch, we
17 expect to complete the SER in September for
18 implementation in about March of 1995; San Onofre,
19 we're hoping to complete the SER in September for
20 implementation in late 1995. The four BWR/6s,
21 Clinton, Grand Gulf, River Bend and Perry, we're
22 hoping to complete the SER in October for
23 implementation schedules that will vary from unit to
24 unit. Zion is a long-term review. We don't expect to
25 complete the review until October 1995 because, in

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1 order for them to manage the resource demand, they've
2 got a review schedule that spreads out over the next
3 year.

4 (Slide) On slide 6, we have seven other
5 plants, actually eight other plants, that have
6 announced their intention to convert to the improved
7 standard tech specs. Slide 6 identifies the projected
8 submittal dates, which means that there won't be much
9 of a gap between completing the lead plants and
10 getting on with the follow-on plants. The eighth
11 plant that's not listed on slide 6 is South Texas
12 Units 1 and 2, who met with us yesterday and announced
13 their intention to pursue a conversion at the same
14 time that they pursue three train tech specs, which
15 will be a novel thing for us to approach.

16 Peach Bottom, Browns Ferry and Washington
17 Nuclear 2 are extending the experience from the BWR
18 owners' group's efforts for Hatch and the BWR/6
19 plants. Palisades was involved early in the
20 development of the improved standard tech specs and
21 they've renewed their interest since the results of
22 the diagnostic evaluation team and certain management
23 changes have redirected their priorities. Ginna's
24 conversion serves as a model for the two loop
25 Westinghouse plants. Ginna is the lead for a

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1 cooperative efforts group that covers Point Beach,
2 Kewaunee and Prairie Island. The success of Ginna
3 might extend directly to those three plants.

4 Vogtle and Comanche Peak decided on a
5 straight cost benefit decision, that they wanted to
6 pursue the Westinghouse standard because most of the
7 work that's gone into Watts Bar is directly applicable
8 to them.

9 This interest in conversion represents
10 more than 20 percent of the units in the United States
11 pursuing tech spec conversions and other licensees are
12 expected to follow and have shown interest, enquiring
13 about the details of the conversion review process.

14 As Brian mentioned, we expect to use
15 contract resources to try and reduce the impact on the
16 NRR technical staff and to achieve greater
17 efficiencies in the conversion reviews.

18 COMMISSIONER de PLANQUE: What kind of
19 turn around would you project on the ones you expect
20 to come in?

21 MR. C. GRIMES: Well, the difficulty about
22 answering that question is that the ones that are
23 coming in right now are saying that they want to start
24 the review tomorrow and finish three years from now.
25 From the standpoint of effective allocation of NRC

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1 resources, I'd rather that they come to us with
2 completed products and then we focus on how short can
3 we get the review turnaround. So, that's something
4 that we would like to pursue with the industry in
5 terms of establishing some standard just for the
6 review process that says, "This is the format, this is
7 the content. Here's how you package it up," and try
8 and get the review process as simple as possible to
9 turn it around.

10 MR. B. GRIMES: I think we're looking at
11 six to nine months, unless we're totally swamped at
12 one particular time.

13 CHAIRMAN SELIN: Would you have to go
14 through a lead plant for each kind to get the process
15 or just having done one and --

16 MR. C. GRIMES: Just having done Crystal
17 River, we've learned some lessons and as we do the
18 rest of them we're continuing to look at lessons,
19 process lessons as well as policy lessons.

20 MR. RUSSELL: We've also included
21 flexibility and implementation. That is from the time
22 the amendment is issued until the amendment goes into
23 effect, to allow time for them to change procedures
24 and other things to be consistent with that, we could
25 allow easily up to one year. So, if they could

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1 schedule it to be consistent either with the refueling
2 outage or with operation of power, whichever they deem
3 is appropriate so that they can complete the training,
4 et cetera.

5 MR. C. GRIMES: (Slide) I'm going to skip
6 slide 7 and 8 and go on to slide 9. All three of
7 these slides present a listing of all the generic
8 letters that have offered line item tech spec
9 improvements for voluntary adoption. There have been
10 16 such line items going back to the relocation of
11 snubber lists in 1984, where such listings could be
12 relocated to the final safety analysis report
13 maintained under Part 50.59.

14 The most recent line item improvement was
15 Generic Letter 94-01, which was issued in May of this
16 year and allows the removal of accelerated testing and
17 special reporting requirements for emergency diesel
18 generators, consistent with the Commission's decision
19 on the resolution of the diesel generator reliability
20 issue, B-56. This action is contingent on early
21 implementation of the maintenance rule for diesels to
22 ensure diesel reliability.

23 From the list of completed line item
24 improvements, you'll note that they include both such
25 technical changes to the content of the technical

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1 specifications and also changes in technical
2 specification practices, like surveillance scheduling.
3 Two additional line item improvements have been
4 designated by NRR management for priority development.
5 One is the relocation of selected instrumentation
6 requirements that constitute the bulk of amendment
7 requests we've seen through license amendment
8 screening so far, including turbine overspeed
9 protection instrumentation. The second is the
10 relocation of reactor coolant system pressure and
11 temperature limit calculations using the same logic
12 that was used to develop core operating limit
13 calculation methods with reported results that are
14 referred to in the technical specifications.

15 Work is continuing on improvements related
16 to design features and administrative controls, which
17 is two other areas where there are large number of
18 license amendment requests. We expect that those will
19 ultimately lead to recommendations for line item
20 improvements also, as soon as we can resolve the
21 questions that have been raised by the lead plants
22 related to the standard.

23 (Slide) Could I have slide 10, please?

24 A panel was formed about a year ago of
25 experienced project managers and technical

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1 specification specialists to screen incoming license
2 amendments in order to identify the generic
3 applicability of the license amendment request for
4 potential new line item improvements, more effective
5 use of existing generic letters, topical reports and
6 safety evaluation reports, and for possible changes to
7 the standard tech specs. That panel has now developed
8 an experience base of almost a thousand license
9 amendments and they've established tracking techniques
10 that are used for resource allocation and reference.

11 Recently a management panel was
12 established to review the recommendations of this
13 screening panel and prioritize resources on the
14 development of line item improvements like the two
15 that we've just recently prioritized that I mentioned
16 relative to the line item improvements. The
17 management panel, at its first meeting, approved these
18 two priority developments for line item improvements.

19 Generic tech spec issues arise both in the
20 license amendments and in the conversion reviews.
21 Most of the changes to the standard tech specs since
22 they were published in September 1992 have been raised
23 by the conversion reviews and consist mostly of
24 clarifications and corrections for consistency.
25 However, other changes have also been identified from

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1 the license amendment process.

2 Since February 1993 when we established
3 the process for managing changes to the standard tech
4 specs, 1,179 changes have been approved, 79 were
5 withdrawn or rejected and 193 changes are pending. To
6 provide a frame of reference, i'll remind you that the
7 development of the standard itself involved the
8 resolution of 27,302 comments. So, 1,100 changes is
9 not terribly many.

10 Issues raised by the license amendment and
11 the lead plants, as Mr. Russell mentioned, need a
12 forum to address these issues and the staff has
13 requested that NEI develop a means to ensure that
14 there's an ongoing forum to continue a dialogue with
15 the owners' groups to resolve generic tech spec
16 issues. The lessons from the process improvements and
17 the conversion reviews are being incorporated into the
18 staff procedures for technical specifications, NRR
19 Office Letter Number 803, and the related procedures
20 for work load management.

21 (Slide) May I have slide 11, please?

22 In the future, we're going to look towards
23 more application of risk insights and design features.
24 As Commissioner Rogers pointed out, the typical
25 conversion looks at a typical plant and it doesn't

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1 involve a lot of reflection on the underlying design
2 basis. However, South Texas, with its unique three
3 train design, last year had a license amendment that
4 adopted 11 probabilistic-based changes based on system
5 reliability and core damage frequency arguments and
6 they're contemplating using the same kind of logic in
7 developing their conversion review.

8 MR. B. GRIMES: To be specific, it'd
9 change the allowed outage times for several
10 components.

11 CHAIRMAN SELIN: On the grounds that they
12 have an extra train?

13 MR. B. GRIMES: Because, yes, they had the
14 extra equipment available. It isn't completely a
15 third train, but it was enough additional that the PRA
16 showed that the additional outage time did not
17 significantly increase the risk involved.

18 MR. C. GRIMES: And as you've seen from a
19 number of the risk studies, there are a lot of plant-
20 unique considerations when you get into system
21 importance values and effects on core damage
22 frequency. They can provide compelling arguments to
23 provide plant specific variation in allowed outage
24 times, surveillance test intervals and the like.

25 San Onofre has undertaken a pilot program

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1 to use a real time risk analysis to explore ways to
2 use probabilistic analysis results in a way to adjust
3 allowed outage times and surveillance intervals and
4 they will develop some experience with a real time
5 system availability based on their real time risk
6 analysis.

7 The advanced reactor designs, as Mr.
8 Russell pointed out, include a variety of design
9 improvements over the typical plant designs that were
10 used to model the standard technical specifications.
11 The value of these design improvements is being
12 estimated using probabilistic sensitivity studies.
13 General Electric proposed 11 significant changes to
14 the BWR/6 standard based on those design improvements
15 that they proposed for the advanced BWR, and those
16 changes were adopted to develop the standard tech spec
17 for an ABWR.

18 CE's System 80+ has one substantial
19 difference because of the electrical power system
20 configuration, but Combustion Engineering intends to
21 pursue additional changes to their tech specs for
22 System 80+ in the future.

23 We expect several changes to the
24 Westinghouse standard to reflect the resolution of the
25 regulatory treatment of non-safety systems as it

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1 applies to adapting the criteria to AP600, and that
2 will be out lesson for next year.

3 We will continue to explore ways to
4 further improve the effectiveness of technical
5 specifications in an ongoing effort to achieve optimal
6 regulatory control of safety-significant design
7 features and operational conditions.

8 That completes my presentation.

9 MR. RUSSELL: I'd like to just clarify
10 that the changes that Chris mentioned are reliefs
11 beyond the standard improved tech specs. That is, you
12 start from the standard for these new designs and then
13 they use risk insights to justify further operational
14 relaxation or relief based upon systems that they
15 have. That's similar to what's being done at South
16 Texas. The licensing history there was that they
17 started out with three essentially 100 percent trains.
18 There were some issues that were raised late in the
19 licensing process that raised a question about whether
20 they really had three trains or not and it turned out
21 that instead of having three 100 percent trains we
22 treated them in the context of tech specs as if they
23 were 50 percent trains. Well, this significantly
24 complicates the tech specs and it may only be for a
25 limited scenario that you need that complication, so

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1 they're going back to relook at their ECCS analysis
2 using the reliefs that are available under the rule to
3 submit that to see if they can justify in fact that
4 they have three 100 percent trains and then would have
5 the equivalent of a built in spare. That would
6 provide significant operational flexibility and that's
7 what's being looked at in conjunction with a
8 conversion to be done sometime over the next 12 to 18
9 months.

10 CHAIRMAN SELIN: Commissioner Rogers?

11 COMMISSIONER ROGERS: Well, I found the
12 briefing very helpful because I really couldn't see in
13 the SECY really some of these activities that relate
14 to line item changes and the progress that's being
15 made there. The SECY gave me the impression that
16 really what was involved here, I think because it's
17 the rule change that you're talking about, that you
18 were just focusing really on the four criteria and how
19 to use those in moving tech specs out of -- items out
20 of the current tech specs and improving from that
21 point of view.

22 So the briefing gave me a much better
23 insight into what else is happening, but that suggests
24 that I think we ought to hear something more someplace
25 down the road as you proceed here, perhaps maybe by

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1 the end of the year or something like that, as to
2 really how this program is working with respect to all
3 of its aspects, not just the moving of tech specs out
4 -- of items out of tech specs into other places,
5 because I think that we're very interested, at least
6 I certainly know I'm very interested in how
7 aggressively the licensees are really looking at their
8 tech specs and reviewing them and using PRA to do an
9 analysis of whether they make sense or not. And I
10 really couldn't get any flavor of that from the SECY,
11 so I think that I'd like to see some kind of a follow-
12 up report perhaps by the end of this calendar year.
13 I don't know whether that's a good time or not, but
14 you have a lot of work set for October. I don't know
15 whether the end of the calendar year would be a good
16 time, but some time around then or the early part of
17 next year.

18 MR. RUSSELL: It would be a good time to
19 see whether we've lived up to the schedules and the
20 expectations and completed the work this fall that
21 we've laid out in this meeting.

22 MR. C. GRIMES: Toward the end of June of
23 next year, right about the end of SES appraisal period
24 would be a good time.

25 COMMISSIONER ROGERS: Maybe you might like

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1 a little warning beforehand.

2 MR. RUSSELL: I would comment. Yesterday
3 I was up at the -- lecturing at the MIT safety course
4 and Herschel Spector was there in the session just
5 before mine and he commented about a sensitivity study
6 that was done based upon the Arkansas tech specs where
7 they took and looked at the total number of technical
8 specifications and then individually did sensitivity
9 studies on them and grouped them by orders of decade
10 of relative importance to core damage frequency. They
11 spread over five decades and there were a very few
12 that were quite significant, that is ten percent or so
13 of core damage frequency, and it turned out to be
14 something on the order of ten or 15 percent of the
15 tech specs were in that category. Then you went to
16 the next group and there were quite a bulk of them
17 that were in the three decades or more removed from
18 safety significance, even on a relative basis.

19 Given that we've reached agreement now
20 with the industry through the maintenance rule on
21 determining systems importance and methods for doing
22 that using sensitivity studies, some of those same
23 techniques can be applied. And I commented in the
24 final panel session that we were on together that his
25 finding was not inconsistent with our own in a

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1 conclusion that some 40 percent of the current
2 limiting conditions for operations and surveillance
3 requirements that are in tech specs are not that
4 safety significant and would not by themselves be
5 justified to continue in tech specs, that they could
6 be in other documents amenable to change or
7 modification by licensees.

8 So we really are focusing on trying to
9 eliminate unnecessary requirements so that the
10 licensee doesn't divert resources to them, we don't
11 divert resources to them and then we don't get
12 involved in issues about compliance with issues that
13 are not perceived to be very safety-significant.

14 COMMISSIONER ROGERS: Yes. Good.

15 CHAIRMAN SELIN: Commissioner de Planque?

16 COMMISSIONER de PLANQUE: I have no
17 further questions. This has been very helpful.

18 CHAIRMAN SELIN: I have a couple of
19 comments.

20 This is very good. My standard is did you
21 do what the Commission told you to do a year ago, and
22 you're very high on that measure, but it's very good
23 for a couple of reasons. First of all, it's a good
24 piece of work. Secondly, the savings that we're
25 talking about go beyond the economic savings to the

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1 licensee and even to us in doing inspection.

2 In a sense, just parroting or paraphrasing
3 Mr. Russell's remark, any time people are spending
4 time on regulations that do not have safety
5 significance it's not only a waste of time. It's a
6 negative impact. It's time taken away from safety.
7 It's something that undermines the confidence of our
8 procedures. It's a very bad situation when somebody
9 comes in and says so and so is not complying with
10 their design basis and we say, yes, but it doesn't
11 matter. Then why is it in the design basis in the
12 first place? It undermines the credibility of what
13 we're doing.

14 Having said all that, I wonder -- this is
15 probably something you've thought about and you've
16 done all that you can, but I wonder if -- if it is
17 true that we are not merely trying to help licensees
18 run their plants more efficiently but we have a
19 positive interest in the propagation of this program,
20 are there further incentives that we could provide
21 that we're not providing?

22 We're not neutral as to whether licensees
23 do this or not. We're not just doing them a favor.
24 We're helping ourselves. We're freeing up people.
25 We're coming up with a better, easier to defend basis

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1 of license conditions, et cetera.

2 MR. RUSSELL: I believe that the
3 fundamental policy decision that was made, which was
4 to keep this as a voluntary program, was the right one
5 from the standpoint that I think it would be difficult
6 to justify a regulatory analysis to require that this
7 be done.

8 At the same time, I've been encouraged in
9 the last six months or so with the number of licensees
10 that are recognizing both the regulatory risk
11 associated with having things as requirements that
12 aren't very safety-significant as well as the
13 potential cost savings and efficiencies in their own
14 operation. I would like to see that grow more and I
15 think that having periodic briefings for the
16 Commission describing where this is and continuing the
17 drum beat on the importance of this issue, as more
18 licensees see it and see the benefit of it and have
19 less need for enforcement discretion and fewer
20 enforcement conferences, et cetera, on issues that are
21 not that significant, I think that there will become
22 a recognition.

23 MR. B. GRIMES: I think there's nothing
24 more important than favorable experience of your peers
25 and as long as the lead plants give favorable feedback

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1 both on NRC responsiveness and on their own economic
2 advantage I think things will -- that will be a good
3 indicator.

4 CHAIRMAN SELIN: Okay. The third thing --
5 I sort of hesitate this because I don't want you going
6 off on a wild goose chase, but is there some fairly
7 simple measure that one could have for the percent
8 completion of the program, the number of items times
9 the number of plants that are possible and where they
10 stand in the conversion?

11 MR. RUSSELL: We have that in the tracking
12 systems today. The applicability of each line item
13 improvement is known and whether it's implemented or
14 not or been requested or not.

15 CHAIRMAN SELIN: Is there some simple
16 integration or overall accumulation of these that we
17 could say "the program has achieved 25 percent of its
18 potential, we hope to get 50 by the end of the year
19 and here's where we're going"?

20 MR. RUSSELL: It's difficult because in
21 each case they are voluntary changes. And so, while
22 there is a population that's available, you can
23 identify the number that have been requested and the
24 number that we've issued --

25 CHAIRMAN SELIN: I'm not looking for an

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1 operational review of how the staff is doing. I'm
2 looking for the overall effectiveness of the program,
3 an estimate. It may not be worth the trouble. What
4 I know is not worth the trouble is to try to keep
5 track of whether the staff has processed 80, 90, or 60
6 percent of the applications. Once the applications
7 are in, I lose interest. I mean, then it becomes sort
8 of an operations question about how you turn that
9 around and I have full confidence that that will be
10 done well.

11 I'm more interested in an estimate of the
12 potential. If everybody came in, you know, that's
13 100 --

14 MR. RUSSELL: Yes.

15 MR. TAYLOR: We'll look at that.

16 CHAIRMAN SELIN: -- and, you know, maybe
17 20 percent just don't make any economic sense, but how
18 are we doing against that.

19 MR. C. GRIMES: Well, I've got two figures
20 of merit. One is in terms of the number of line item
21 improvements that have already been issued. We know
22 that about 80 percent of the population that could use
23 them have.

24 CHAIRMAN SELIN: Okay.

25 MR. C. GRIMES: And so there's about a 20

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1 percent margin for improvement in terms of the
2 industry using what's out there already. I noted that
3 of the total population of U.S. units about 20 percent
4 have identified that they're going to pursue a
5 conversion.

6 The other measure that's missing there is
7 between the line item improvements and the complete
8 conversions. What's the rest of the room for
9 improvement? And that's basically looking at what the
10 age population of the plants are, their life
11 expectancy, and what other line item improvements
12 could we possibly envision in the future.

13 CHAIRMAN SELIN: I would settle for
14 anything, including a statement that says it's too
15 hard to do.

16 I would settle for the following. Forget
17 the line item improvements because that's really
18 retail. I'm interested in the wholesale stuff that
19 says there are 108 operational reactors out there.
20 Roughly speaking, 25 percent of them have a -- either
21 they're so complex or they have such a short lifetime
22 that it wouldn't even make any sense to discuss those,
23 so we have -- the figure of merit is not 108
24 conversions. It's some number that's smaller than
25 that.

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1 I think this is a marketing thing. That's
2 the potential market for this activity, but I don't
3 want to limit it to the people who have applied
4 because I'm particularly interested in whether the
5 people who we sort of think it would make some sense
6 to apply have applied, and then I get some feeling for
7 whether the program is working, whatever the reason,
8 whether it's good advertising, good word of mouth, a
9 good impression that we have, or, conversely, whether
10 we got the analysis wrong or people just don't see
11 things the way we do or they'd like to do it but
12 they've been scared off by horror -- I don't really
13 care about the causes.

14 If we're tapping, to use business terms,
15 20 percent of the market, that tells me one thing. If
16 we're tapping 60 or 70 percent of the market after a
17 couple years, that tells me something very different.
18 But if it's a lot of work, that's not necessary. It's
19 sort of an overall --

20 MR. RUSSELL: I think that's fairly
21 straightforward to do and we'll get back to you with
22 some recommendations.

23 CHAIRMAN SELIN: Other than that, I just
24 think that this should be looked at in the context of
25 yet another effort in the overall attempt to get out

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1 of compliance monitoring and into safety regulation,
2 not just -- it is useful, but it goes beyond reducing
3 the cost both directly to the licensee and indirectly
4 through our fees to really try to get this basic --
5 whether it's getting out of the enforcement discretion
6 business as fast as we can by getting rid of tech
7 specs that are not logical or the cost beneficial
8 licensee actions or what-have-you.

9 This is all part of a much larger program
10 and so it has -- a successful program here not only
11 carries its own weight but will add to credibility of
12 the overall program, so thank you very much. Very
13 well done.

14 (Whereupon, at 4:04 p.m., the above-
15 entitled matter was adjourned.)
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CERTIFICATE OF TRANSCRIBER

This is to certify that the attached events of a meeting
of the United States Nuclear Regulatory Commission entitled:

TITLE OF MEETING: BRIEFING ON PROPOSED CHANGES TO 10 CFR 50.36 -
TECHNICAL SPECIFICATIONS

PLACE OF MEETING: ROCKVILLE, MARYLAND

DATE OF MEETING: JULY 20, 1994

were transcribed by me. I further certify that said transcription
is accurate and complete, to the best of my ability, and that the
transcript is a true and accurate record of the foregoing events.

Carol Lynch

Reporter's name: Peter Lynch

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PROPOSED CHANGES TO 10 CFR 50.36 TECHNICAL SPECIFICATIONS

July 20, 1994

**William T. Russell
Christopher I. Grimes**

**Contact: Christopher I. Grimes
Phone: 504-1161**

Rev 7/15/94

PROGRAM OBJECTIVES

- **Focus on Safety**
- **Improvements in Regulatory Practice**
- **Criteria for Technical Specifications**
- **Process Efficiencies**

PROPOSED RULE FOR 10 CFR 50.36 TECHNICAL SPECIFICATIONS

- **Commission Directed Rulemaking May 1993**
- **Final Policy Statement Published July 22, 1993**
- **Preserve Voluntary Nature of Program**
- **Codify Four Criteria From Policy Statement**

TECHNICAL SPECIFICATION CRITERIA

- 1 Reactor Coolant Pressure Boundary Instrumentation**
- 2 Initial Condition of a Design Basis Accident or Transient**
- 3 Primary Success Path to Mitigate a Design Basis Accident or Transient**
- 4 Safety Significant from Operating Experience or Probabilistic Safety Assessment**

PROCESS EFFICIENCIES

- **Complete Conversions to Improved STS**
- **Line-Item Improvements**
- **License Amendment Screening**

COMPLETE CONVERSIONS

<u>Lead Plant</u>	<u>Design Type</u>	<u>Complete Review</u>
Crystal River 3	B&W	Complete
Hatch 1 & 2	BWR/4	September 1994
San Onofre 2 & 3	CE	October 1994
Clinton	BWR/6	October 1994
Grand Gulf	BWR/6	October 1994
Perry	BWR/6	October 1994
River Bend	BWR/6	October 1994
Zion 1 & 2	Westinghouse	October 1995
Watts Bar	Westinghouse	OL Issuance

COMPLETE CONVERSIONS (continued)

<u>Plant</u>	<u>Submittal Dates</u>
Peach Bottom 2 & 3	September 1994
Palisades	September 1994
Ginna	Fall 1994
Browns Ferry 2	December 1994
Vogtle 1 & 2	March 1995
Washington Nuclear 2	June 1995
Comanche Peak 1 & 2	Summer 1995

ISSUED LINE-ITEM IMPROVEMENTS

<u>GL</u>	<u>Subject</u>
84-13	Relocate of Snubber Lists
87-09	Clarification of Requirements in Sections 3.0 & 4.0
88-06	Relocate Organizational Charts
88-12	Relocate Fire Protection Requirements
88-16	Relocate Cycle-Specific Parameter Limits
89-01	Relocate Radiological Effluent Technical Specifications

ISSUED LINE-ITEM IMPROVEMENTS (continued)

<u>GL</u>	<u>Subject</u>
89-14	Removal of the Limit on Extending Surveillance Requirements
90-09	Alternate Requirements for Snubber Visual Inspections
91-01	Relocate Reactor Material Specimen Withdrawal Schedule
91-04	Accommodation of a 24-Month Fuel Cycle
91-08	Relocate Component Lists

ISSUED LINE-ITEM IMPROVEMENTS

(continued)

<u>GL</u>	<u>Subject</u>
91-09	Modification of Surveillance Requirements for Electrical Protective Assemblies
93-05	Reduced Surveillance Requirements for Testing During Power Operations
93-07	Relocate Administrative Controls Emergency and Security Plans
93-08	Relocate Instrument Response Time Limits
94-01	Remove Diesel Accelerated Testing and Special Reporting

LICENSE AMENDMENT SCREENING

- **Screening Panel**
- **Screening Process**
- **Workload Priorities and Tracking**
- **Management Panel**

FUTURE IMPROVEMENTS

- **Probabilistic Analysis Applications**
 - **South Texas**
 - **San Onofre**

- **Advanced Reactor Designs**
 - **Advanced Boiling Water Reactor**
 - **CE System 80 +**
 - **AP600**



RULEMAKING ISSUE

(Notation Vote)

June 3, 1994

SECY-94-156

FOR: The Commissioners

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: PROPOSED RULEMAKING PACKAGE FOR 10 CFR 50.36, "TECHNICAL SPECIFICATIONS"

PURPOSE:

To obtain Commission approval to publish a proposed rule change to 10 CFR 50.36, "Technical Specifications," for public comment.

ISSUE:

Codification of criteria for the content of power reactor technical specifications.

BACKGROUND:

On March 30, 1993, the staff presented a draft Final Policy Statement on Technical Specifications Improvements for Nuclear Power Reactors to the Commission (SECY-93-067) and recommended that the Commission approve publication of the draft final policy statement for public comment. The Commission approved publication of the policy statement in final form without public comment, as noted in the Staff Requirements Memorandum (SRM) issued on

Contacts:
Christopher I. Grimes, NRR
504-1161

Nanette Gilles, NRR
504-1180

SECY NOTE: TO BE MADE PUBLICLY AVAILABLE WHEN THE FINAL SRM IS MADE AVAILABLE.

May 25, 1993. The final policy statement was published in the Federal Register on July 23, 1993 (58 FR 39132). In the SRM, the Commission also directed the staff to prepare a rulemaking package to codify the four criteria contained in the final policy statement and to note in the Federal Register notice announcing the policy statement that comments on the policy statement were welcome and that they would be considered and addressed during preparation of the proposed rule. To date, only one comment, which was a general statement of support for the policy statement by a licensee, has been received.

In addition, the Commission said that the staff should begin preparing any regulatory guides that might be needed to implement this rule. The Commission also directed the staff to aggressively explore and pursue possible mechanisms for improving the NRC regulations related to technical specifications, including achieving legal and administrative efficiencies in the processing of amendments to technical specifications. The Commission asked that the staff inform the Commission of its plans in this regard when the rulemaking package was forwarded for Commission review.

DISCUSSION:

The Final Policy Statement on Technical Specifications Improvements for Nuclear Power Reactors established four criteria that define requirements that should be controlled by technical specifications. The policy statement stated that, currently, there is a common understanding between the NRC staff and the industry that the criteria provide a template to develop improved technical specifications. The criteria are being used by licensees to prepare technical specification submittals to the NRC. The Commission concluded that it was appropriate to codify the criteria in a rule that would be consistent with the policy statement but would preserve the voluntary nature of adopting the improved technical specifications. The rule will not require modification of the technical specifications for any plant licensed for operation prior to the effective date of the amendment. The rule will, however, provide an acceptable scope for technical specification limiting conditions for operation for (1) changes to technical specifications for previously licensed plants and (2) technical specifications for plants licensed for operation after the effective date of the amendment to the rule.

Enclosure 1 contains the proposed revised text of 10 CFR 50.36 in comparative form. Enclosure 2 is the proposed Federal Register notice (FRN), which contains a statement of considerations under "Supplementary Information." The statement of considerations gives the history of the development of the four criteria being proposed for inclusion in 10 CFR 50.36. Much of the text of the statement of considerations is taken directly from the final policy statement.

As noted in the FRN, the staff has determined that there will be no significant impact on the environment from this proposed rule and that there is no need to prepare a separate environmental assessment. The criteria being

added to 10 CFR 50.36 are identical to those contained in the final policy statement and have been used by the NRC and the nuclear power industry to define the content of technical specifications since September 1992. The proposed rule does not impose any new requirements, nor does it allow a licensee to change the basic operating envelope for any plant. The proposed rule allows licensees to voluntarily use the criteria to propose the relocation of existing technical specifications that do not meet any of the criteria to licensee-controlled documents.

The staff has determined that a regulatory analysis is not required for this proposed rule. The principal purposes of a regulatory analysis are to help ensure that (1) NRC regulatory decisions made in support of its statutory responsibilities are based on adequate information concerning the need for and consequences of proposed actions, (2) appropriate alternative approaches to regulatory objectives are identified and analyzed, (3) no clearly preferable alternative to the proposed action exists, and (4) proposed actions subject to the backfit rule (10 CFR 50.109) [and not within the exceptions at 10 CFR 50.109(a)(4)] provide a substantial increase in the overall protection of the public health and safety or the common defense and security and that the direct and indirect costs of implementation are justified in view of this substantial increase in protection.¹ The staff believes the intent of the regulatory analysis has been met through the extensive consideration given to the development of the final policy statement and the improved standard technical specifications (STS), both of which involved an opportunity for public comment. The proposed rule does not impose any new requirements but, rather, allows nuclear power reactor licensees to voluntarily use the criteria to propose the relocation of existing technical specifications that do not meet any of the criteria to licensee-controlled documents. The staff will also, as a policy matter, use these criteria to determine whether technical specifications are appropriate to provide continued regulatory control over new requirements or positions that have been justified consistent with the backfit rule. In addition, the criteria being added to 10 CFR 50.36 are identical to those contained in the final policy statement and have been used by the NRC and the nuclear power industry to define the content of technical specifications since September 1992.

The Commission considered the need for and consequences of this proposed action when it made the decision to direct the staff not only to publish the criteria in the final policy statement but also to codify the criteria through rulemaking. Appropriate alternative approaches to this action have been identified and analyzed over the life of the Technical Specifications Improvement Program, beginning with an earlier attempt to define the content of technical specifications through rulemaking. On March 30, 1982, the Commission published a proposed amendment to 10 CFR 50.36 (47 FR 13369). The

¹ NUREG/BR-0058, Revision 2, "Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission," August 1993

proposed amendment would have revised 10 CFR 50.36 to establish a new system of specifications divided into two general categories. Only those specifications contained in the first general category as technical specifications would have become part of the operating license and would have required prior NRC approval for any changes. Those specifications contained in the second general category would have become supplemental specifications and would not have required prior NRC approval for most changes. The NRC review of the first general category of specifications would have been the same as that currently performed for technical specification changes, which are amendments to the operating license. For the second category, supplemental specifications, the licensee would have been allowed to make changes within specified conditions without prior NRC approval. The NRC would have reviewed these changes when they were made and would have done so in a manner similar to that currently used for reviewing design changes, tests, and experiments performed under the provisions of 10 CFR 50.59. However, because of difficulties with defining criteria for technical specifications and because of other higher priority licensing work, the rule change was deferred.

In February 1987, the Commission published an Interim Policy Statement on Technical Specification Improvements and in July 1993, published the final policy statement. Although the staff suggested using the final policy statement to implement 10 CFR 50.36 as currently written, the Commission was of the view that the four criteria should be codified in a rule. Thus, alternative approaches to regulatory objectives have been identified and analyzed, and the Commission has decided that there is no clearly preferable alternative to codifying the four criteria in a rule. With regard to evaluation of values and impacts of alternatives, the staff believes that in this case, because of the voluntary nature of the proposed rule, there is no difference in the values or impacts of implementing the criteria through use of the final policy statement or through a rule, except that the criteria are more readily available to future users in a rule than in a policy statement.

The fourth purpose of a regulatory analysis is to ensure an adequate backfit analysis of the proposed action. The staff has determined that the backfit rule does not apply to this proposed rule because the amendment in itself does not involve any provisions that would impose backfits as defined in 10 CFR 50.109(a)(1). The statement of considerations for the FRN states that, during individual technical specification conversions, the nonvoluntary addition of new requirements from the improved STS to individual plant technical specifications will be evaluated in accordance with the Commission regulations on backfitting (10 CFR 50.109). In summary, the staff believes that the intent of the regulatory analysis has been met and a separate analysis at this time is not needed.

When the Commission directed the staff to codify the four criteria through rulemaking, it also directed the staff to aggressively explore and pursue possible mechanisms for improving the NRC regulations related to technical specifications including achieving legal and administrative efficiencies in the processing of amendments to technical specifications. This proposed rule

is the result, in part, of these efforts. The staff has been and will continue to pursue other methods for achieving administrative efficiencies in the processing of technical specification amendments. Two areas where considerable improvement in efficiency has been realized are in the license amendment screening process and in the ongoing development of line-item improvements.

The staff does not intend to prepare any regulatory guides to implement this proposed rule. The staff believes that the improved STS, the final policy statement, and the statement of considerations for the proposed rule contain all of the guidance necessary for implementation.

Please note that the enclosed proposed rule has not been reviewed by the Advisory Committee on Reactor Safeguards (ACRS) or the Committee to Review Generic Requirements (CRGR). Both committees have, however, reviewed the substance of the proposed rule. The ACRS and the CRGR reviewed the criteria during their involvement with the improved STS and the final policy statement.

The views of the ACRS on the final policy statement were expressed to the Commission in a letter to the Chairman dated June 18, 1993. The ACRS stated in the letter that it believed that the staff needed to provide more detailed guidance on the definition of "significant to public health and safety," as used in Criterion 4 of the final policy statement. The ACRS felt that this additional guidance should appear in the implementing regulatory guide. Because the staff is not planning to prepare any regulatory guides to implement this proposed rule, we intend to solicit comments on this issue when the proposed rule is published in the Federal Register and provide more detailed guidance in the statement of considerations when the final rule is published.

The staff intends to provide the ACRS and the CRGR with a copy of this proposed rulemaking package and to meet with them after the public comment period on the proposed rule to inform them of the substance of the comments and any changes to the proposed rule that the staff recommends on the basis of the comments. The ACRS and the CRGR have agreed to this course of action.

Finally, the staff has prepared letters to the appropriate congressional committees informing them of the proposed rulemaking action, which are contained in Enclosure 3.

This action involves no resource adjustments to the NRC Five Year Plan. The Office of the General Counsel has reviewed this paper and has no legal objection.

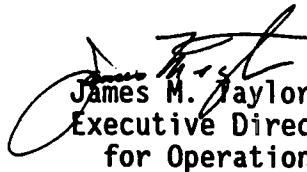
RECOMMENDATION:

That the Commission:

1. Approve the publication of the enclosed proposed rule change to 10 CFR 50.36, "Technical Specifications," for a 75-day comment period.
2. Certify that this rule does not have a significant economic impact on a substantial number of small entities in order to satisfy the requirements of the Regulatory Flexibility Act (5 U.S.C. 605(b)).
3. Note:
 - a. No environmental impact statement or environmental assessment need be prepared in connection with the amendments because there will be no significant impact on the environment from the proposed rule.
 - b. A separate regulatory analysis has not been prepared for this proposed rule because the staff believes the intent of the regulatory analysis has been met.
 - c. A backfit analysis has not been prepared for this proposed rule because the amendment does not involve any provisions that would impose backfits as defined in 10 CFR 50.109(a)(1).
 - d. That the Subcommittee on Nuclear Regulation of the Senate Committee on Environment and Public Works, the Subcommittee on Energy and Power of the House Committee on Energy and Commerce, and the Subcommittee on Energy and the Environment of the House Committee on Interior and Insular Affairs will be informed of this rulemaking action (Enclosure 3).
 - e. That the proposed rule does not amend information collection requirements subject to the Paperwork Reduction Act. The existing requirements were approved by the Office of Management and Budget.
 - f. That the Chief Counsel for Advocacy of the Small Business Administration will be informed of the certification and the reasons for it as required by the Regulatory Flexibility Act.
 - g. That a public announcement will be issued (Enclosure 4).
 - h. That a copy of the proposed rule will be distributed to all affected licensees and other interested persons.

SCHEDULING:

If scheduled on the Commission agenda, the staff recommends that this paper be considered at an open meeting. The staff knows of no specific circumstance that would require Commission action by any particular date in the near future.


James M. Taylor
Executive Director
for Operations

Enclosures:

1. 10 CFR 50.36 Comparative Text
2. Federal Register Notice
3. Letters to Congress
4. Public Announcement

Commissioners' comments or consent should be provided directly to SECY by COB Thursday, July 21, 1994. Commission staff office comments, if any, should be submitted to the Commissioners NLT July 14, 1994, with an information copy to SECY. If the paper is of such a nature that it requires additional review and comment, the Commissioners and the Secretariat should be apprised of when comments may be expected.

This paper is tentatively scheduled for discussion at an open meeting on July 14, 1994.

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ENCLOSURE 1

10 CFR 50.36 COMPARATIVE TEXT

§ 50.36 Technical specifications.

- (a) Each applicant for a license authorizing operation of a production or utilization facility shall include in his application proposed technical specifications in accordance with the requirements of this section. A summary statement of the bases or reasons for such specifications, other than those covering administrative controls, shall also be included in the application, but shall not become part of the technical specifications.
- (b) Each license authorizing operation of a production or utilization facility of a type described in § 50.21 or § 50.22 will include technical specifications. The technical specifications will be derived from the analyses and evaluation included in the safety analysis report, and amendments thereto, submitted pursuant to § 50.34. The Commission may include such additional technical specifications as the Commission finds appropriate.
- (c) Technical specifications will include items in the following categories:

(1) * * *

(2) *Limiting conditions for operation.*

(1) Limiting conditions for operation are the lowest functional capability or performance levels of equipment required for safe operation of the facility. When a limiting condition for operation of a nuclear reactor is not met, the licensee shall shut down the reactor or follow any remedial action permitted by the technical specifications until the condition can be met. When a limiting condition for operation of any process step in the system of a fuel reprocessing plant is not met, the licensee shall shut down that part of the operation or follow any remedial action permitted by the technical specifications until the condition can be met. In the case of a nuclear reactor not licensed under § 50.21(b) or § 50.22 of this part or fuel reprocessing plant, the licensee shall notify the Commission, review the matter, and record the results of the review, including the cause of the condition and the basis for corrective action taken to preclude recurrence. The licensee shall retain the record of the results of each review until the Commission terminates the license for the nuclear reactor or the fuel reprocessing plant. In the case of nuclear power reactors licensed under § 50.21(b) or § 50.22, the licensee shall notify the Commission if required by § 50.72 and shall submit a Licensee Event Report to the Commission as required by § 50.73. In this case, licensees shall retain records associated with preparation of a Licensee Event Report for a period of three years following issuance of the report. For events which do not require a Licensee Event Report, the licensee shall retain each record as required by the technical specifications.

(ii) A technical specification limiting condition for operation of a nuclear reactor must be established for each item meeting one or more of the following criteria:

(A) Criterion 1. Installed instrumentation that is used to detect, and indicate in the control room, a significant abnormal degradation of the reactor coolant pressure boundary.

(B) Criterion 2. A process variable, design feature, or operating restriction that is an initial condition of a design basis accident or transient analysis that either assumes the failure of or presents a challenge to the integrity of a fission product barrier.

(C) Criterion 3. A structure, system, or component that is part of the primary success path and which functions or actuates to mitigate a design basis accident or transient that either assumes the failure of or presents a challenge to the integrity of a fission product barrier.

(D) Criterion 4. A structure, system, or component which operating experience or probabilistic safety assessment has shown to be significant to public health and safety.

(iii) A licensee is not required to modify technical specifications that are included in any license issued before [insert the effective date of this document] to satisfy the criteria in paragraph (c)(2)(ii) of this section. However, for technical specification amendments a licensee proposes after [insert the effective date of this document], the criteria in paragraph (c)(2)(ii) of this section provide an acceptable scope for limiting conditions for operation.

(3) *Surveillance requirements.* Surveillance requirements are requirements relating to test, calibration, or inspection to assure that the necessary quality of systems and components is maintained, that facility operation will be within safety limits, and that the limiting conditions of for operation will be met.

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ENCLOSURE 2

PROPOSED FEDERAL REGISTER NOTICE

NUCLEAR REGULATORY COMMISSION

10 CFR Part 50

RIN 3150-AF06

Technical Specifications

AGENCY: Nuclear Regulatory Commission.

ACTION: Proposed rule.

SUMMARY: The Nuclear Regulatory Commission (NRC) is proposing to amend its regulations pertaining to technical specifications for nuclear power reactors. The proposed rule would codify criteria for determining the content of technical specifications. These criteria were developed in recognition of the overly broad use of technical specifications to impose requirements, diverting both NRC and licensee attention from the more important requirements in these documents to the extent that it has resulted in an adverse but unquantifiable impact on safety. Each licensee covered by these regulations may voluntarily use the criteria as a basis to propose the relocation of existing technical specifications that do not meet any of the criteria from the facility license to licensee-controlled documents. The voluntary conversion of current technical specifications in this manner is expected to produce an improvement in the safety of nuclear power plants through a reduction in unnecessary plant transients and more efficient use of NRC and industry resources.

DATE: Comment period expires (75 days after publication in the Federal Register). Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

ADDRESSEES: Mail written comments to: Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, ATTN: Docketing and Service Branch.

Deliver comments to: 11555 Rockville Pike, Rockville, Maryland, between 7:45 am and 4:15 pm on Federal workdays.

Copies of comments received may be examined and copied for a fee at the NRC Public Document Room, 2120 L Street, NW. (Lower Level), Washington, DC.

FOR FURTHER INFORMATION CONTACT: Christopher I. Grimes, Chief, Technical Specifications Branch, Division of Operating Reactor Support, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Telephone: (301) 504-1161.

SUPPLEMENTARY INFORMATION:

Background

Section 182a. of the Atomic Energy Act of 1954 (Act), as amended (42 U.S.C. 2232), mandates the inclusion of technical specifications in licenses for the operation of production and utilization facilities. The Act

requires that technical specifications include information concerning the amount, kind, and source of special nuclear material, the place of use, and the specific characteristics of the facility. That section also states that technical specifications shall contain information the Commission requires through regulation to enable it to find that the utilization of special nuclear material will be in accord with the common defense and security and will provide adequate protection of public health and safety. Finally, that section requires technical specifications to be made a part of any license issued.

The Commission promulgated § 50.36, "Technical Specifications," which implements Section 182a. of the Atomic Energy Act on December 17, 1968 (33 FR 18610). This rule delineates requirements for determining the contents of technical specifications. Technical specifications set forth the specific characteristics of the facility and the conditions for its operation that are required to provide adequate protection of the health and safety of the public. Specifically, § 50.36 requires the following:

Each license authorizing operation of a production or utilization facility of a type described in § 50.21 or § 50.22 will include technical specifications. The technical specifications will be derived from the analyses and evaluation included in the safety analysis report, and amendments thereto, submitted pursuant to § 50.34. The Commission may include such additional technical specifications as the Commission finds appropriate.

Technical specifications cannot be changed by licensees without prior NRC approval. However, since 1969, there has been a trend toward including in technical specifications not only those requirements derived from the analyses and evaluation included in the safety analysis report but also essentially all other Commission requirements governing the operation of nuclear power reactors. This extensive use of technical specifications was due in part to a lack of well-defined criteria (in either the body of the rule or in some other regulatory document) for what should be included in technical specifications. This use has contributed to the volume of technical specifications and to the several-fold increase in the number of license amendment applications to effect changes to the technical specifications since 1969. It has diverted both NRC staff and licensee attention from the more important requirements in these documents to the extent that it has resulted in an adverse but unquantifiable impact on safety.

On March 30, 1982 (47 FR 13369), the NRC published in the Federal Register a proposed amendment to Part 50. The proposed rule would have revised § 50.36, "Technical Specifications," to establish a new system of specifications divided into two general categories. Only those specifications contained in the first general category as technical specifications would have become part of the operating license and would have required prior NRC approval for any changes. Those specifications contained in the second general category would have become supplemental specifications and would not have required prior NRC approval for most changes. The NRC review of the first general category of specifications would have been the same as that currently performed for technical specification changes, which are amendments

to the operating license. For the second category, supplemental specifications, the licensee would have been allowed to make changes within specified conditions without prior NRC approval. The NRC would have reviewed these changes when they were made and would have done so in a manner similar to that currently used for reviewing design changes, tests, and experiments performed under the provisions of § 50.59. Because of difficulties with defining the criteria for dividing the technical specifications into the two categories of the proposed rule and because of other higher priority licensing work, the proposed amendment was deferred.

In the early 1980s, the nuclear industry and the NRC staff began studying whether the existing system of establishing technical specification requirements for nuclear power plants needed improvement. During this time frame, an NRC task group known as the Technical Specifications Improvement Project (TSIP) and a Subcommittee of the Atomic Industrial Forum's (AIF) Committee on Reactor Licensing and Safety performed two studies of this issue.¹ The overall conclusion of these studies was that many improvements in the scope and content of technical specifications were needed and that a joint NRC and industry program should be initiated to implement these improvements.

¹SECY-86-10, "Recommendations for Improving Technical Specifications," dated January 13, 1986, contains both "Recommendations for Improving Technical Specifications," NRC Technical Specifications Improvement Project, September 30, 1985, and "Technical Specifications Improvements," AIF Subcommittee on Technical Specifications Improvements, October 1, 1985.

Both groups made specific recommendations which are summarized as follows:

(1) The NRC should adopt the criteria for defining the scope of technical specifications proposed in the AIF and TSIP reports. Those criteria should then be used by the NRC and each of the nuclear steam supply system vendor owners groups to completely rewrite and streamline the existing Standard Technical Specifications (STS). This process would result in the transfer of many requirements from control by technical specification requirements to control by other mechanisms [e.g., the final safety analysis report (FSAR), operating procedures, quality assurance (QA) plan] that would not require a license amendment or prior NRC approval when changes were needed. The new STS should include greater emphasis on human factors principles in order to make the text of the STS clearer and easier to understand. The new STS should also provide improvements to the bases section of technical specifications, which gives the purpose for each requirement in the specification.

(2) A parallel program of short-term improvements in both the scope and substance of the existing technical specifications should be initiated in addition to developing new STS as stated in Recommendation (1).

On February 6, 1987 (52 FR 3788), the NRC published in the Federal Register for public comment an Interim Policy Statement on Technical Specification Improvements for Nuclear Power Reactors containing proposed criteria in response to Recommendation (1). These criteria were generally derived from the criteria proposed in the AIF and TSIP reports and were modified slightly on the basis of discussions between the NRC staff and the

industry. The public comment period for the interim policy statement expired on March 23, 1987.

The criteria were developed with the intention that they would apply to limiting conditions for operation (LCOs). The NRC staff believed that the safety limits needed to remain as is in the technical specifications because of their more direct link to protection of the physical barriers that guard against the uncontrolled release of radioactivity. At the time the criteria were developed, the industry did not wish to address administrative controls and design features in the effort to improve the STS. Later, however, both the industry and the NRC staff realized that it would be beneficial to include upgraded administrative controls and design features in the improved STS, and these were handled separately from the application of the criteria to the LCOs.

The NRC has developed a program for short-term improvements as described in Recommendation (2). These are known as "line-item" improvements and are generic improvements developed and promulgated by the NRC staff for voluntary adoption by licensees.

Subsequently, improved vendor-specific STS were developed and issued by the NRC in September 1992. The improved STS were published as the following NRC reports:

- NUREG-1430, "Standard Technical Specifications, Babcock and Wilcox Plants"

- NUREG-1431, "Standard Technical Specifications, Westinghouse Plants"
- NUREG-1432, "Standard Technical Specifications, Combustion Engineering Plants"
- NUREG-1433, "Standard Technical Specifications, General Electric Plants, BWR/4"
- NUREG-1434, "Standard Technical Specifications, General Electric Plants, BWR/6"

Copies of NUREGs may be purchased from the Superintendent of Documents, U.S. Government Printing Office, by calling (202) 275-2060 or by writing to the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 37082, Washington, DC 20013-7082. Copies are also available from the National Technical Information Service, 5825 Port Royal Road, Springfield, VA 22161.

These improved STS were the result of extensive technical meetings and discussions among the NRC staff, industry owners groups, vendors, and the Nuclear Management and Resources Council (NUMARC).

Finally, on July 22, 1993 (58 FR 39132), the Commission published a Final Policy Statement on Technical Specifications Improvements for Nuclear Power Reactors, which incorporated experience and lessons learned since publication of the interim policy statement. The interim policy statement identified three criteria to be used to define which of the current technical specification requirements should be retained or included in technical specifications and which LCOs could be relocated to licensee-controlled documents, as follows:

Criterion 1: Installed instrumentation that is used to detect, and indicate in the control room, a significant abnormal degradation of the reactor coolant pressure boundary.

Criterion 2: A process variable, design feature, or operating restriction that is an initial condition of a design basis accident or transient analysis that either assumes the failure of or presents a challenge to the integrity of a fission product barrier.

Criterion 3: A structure, system, or component that is part of the primary success path and which functions or actuates to mitigate a design basis accident or transient that either assumes the failure of or presents a challenge to the integrity of a fission product barrier.

The interim policy statement also stated that, in addition to structures, systems, and components captured by the three criteria, it was the Commission's policy that licensees retain in the technical specifications LCOs for a specified list of systems that operating experience and probabilistic safety assessment had generally shown to be important to public health and safety. In the final policy statement, the Commission retained this thought as a fourth criterion to capture those requirements that operating experience or probabilistic safety assessment show to be significant to public health and safety. The final policy statement also addressed comments received on the interim policy statement and described the Commission's intent with regard to use of the criteria and their codification through rulemaking.

The Commission believes that amending § 50.36 to include the four criteria contained in the final policy statement could codify a viable, potentially safety-enhancing and cost-saving method for technical specification improvement. The Commission encourages licensees to use the improved STS as the basis for plant-specific technical specifications. As stated in the final policy statement, the Commission will place the highest priority on requests based on the criteria for individual license amendments that are used to evaluate all of the LCOs for an individual plant to determine which LCOs should be included in the technical specifications. Related surveillance requirements and actions would be retained for each LCO that remains in the technical specifications. Each LCO, action, and surveillance requirement should have supporting bases.

In addition, the Commission will also entertain requests to adopt portions of the improved STS, even if the licensee does not adopt all STS improvements. These portions will include all related requirements and will normally be developed as line-item improvements by the NRC staff. The Commission encourages all licensees who submit technical specification related submittals based on these criteria to emphasize human factors principles.

LCOs that do not meet any of the criteria, and their associated actions and surveillance requirements, may be proposed for relocation from the technical specifications to licensee-controlled documents, such as the FSAR. The criteria may be applied to either standard or custom technical specifications. The Commission will also consider the criteria in evaluating future generic requirements for inclusion in technical specifications.

During individual technical specification conversions, a backfit analysis will be performed in cases of nonvoluntary addition of new requirements from the improved STS to individual plant technical specifications, unless the staff-suggested additional changes are needed to make the changes requested by the licensee acceptable from the standpoint of adequate protection or compliance with NRC regulations, in which case the request may be denied without the additional items.

The Commission requests comments on the criteria being proposed for inclusion in § 50.36 and, particularly, on Criterion 4 and what guidelines the Commission should use in defining "significant to public health and safety."

Finding of No Significant Environmental Impact: Availability

The Commission has determined under the National Environmental Policy Act of 1969, as amended, and the Commission regulations in Subpart A of Part 51, that this rule, if adopted, would not be a major Federal action significantly affecting the quality of the human environment and would not degrade the environment in any way. Therefore, the Commission concludes that there will be no significant impact on the environment from this proposed rule. This discussion constitutes the environmental assessment and finding of no significant impact for this proposed rule; a separate assessment has not been prepared.

Paperwork Reduction Act Statement

This proposed rule does not contain a new or amended information collection requirement subject to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.). Existing requirements were approved by the Office of Management and Budget, approval number 3150-0011.

Regulatory Analysis

The Commission has determined that a regulatory analysis is not required for this proposed rule. The Commission believes the intent of the regulatory analysis has been met through the extensive consideration given to the development of the Final Policy Statement on Technical Specifications Improvements for Nuclear Power Reactors and the improved STS, both of which involved an opportunity for public comment. The criteria being added to § 50.36 are identical to those contained in the final policy statement and have been used by the NRC and the nuclear power industry to define the content of technical specifications since September 1992. The criteria will continue to be used even if this proposed rule is not adopted. The proposed rule does not impose any requirements but, rather, allows nuclear power reactor licensees to voluntarily use the criteria to relocate existing technical specifications that do not meet any of the criteria to licensee-controlled documents. The NRC staff also uses these criteria to determine whether technical specifications are appropriate to provide continued regulatory control over new requirements or positions that have been justified consistent with the backfit rule.

The Commission considered the need for and consequences of this proposed action when it made the decision to not only publish the criteria in the final policy statement but also to codify the criteria through rulemaking. Appropriate alternative approaches to this action have been identified and analyzed over the life of the Technical Specifications Improvement Program, beginning with an earlier attempt to define the content of technical specifications through rulemaking. As described in the background discussion, the Commission published a proposed amendment to § 50.36 (47 FR 13369) on March 30, 1982. However, because of difficulties with defining criteria for technical specifications and because of other higher priority licensing work, the rule change was deferred. In February 1987, the Commission published an interim policy statement on Technical Specification Improvements and in July 1993, published the final policy statement. During review of the final policy statement, the Commission concluded that the four criteria should be codified in a rule. Thus, alternative approaches to regulatory objectives have been identified and analyzed, and the Commission has decided that there is no clearly preferable alternative to codifying the four criteria in a rule. With regard to evaluation of values and impacts of alternatives, the Commission believes there is no difference in the values or impacts of implementing the criteria through use of the final policy statement or through a rule, except that the criteria are more readily available to future users in a rule than in a policy statement.

Regulatory Flexibility Certification

In accordance with the Regulatory Flexibility Act of 1980 [5 U.S.C. 605(b)], the Commission certifies that, if promulgated, this rule will not have a significant economic impact on a substantial number of small entities. This proposed rule affects only the licensing and operation of nuclear power plants. The companies that own these plants do not fall within the scope of the definition of "small entities" as given in the Regulatory Flexibility Act or the Small Business Size Standards in regulations issued by the Small Business Administration at 13 CFR Part 121.

Backfit Analysis

The NRC has determined that the backfit rule, § 50.109, does not apply to this proposed rule and, therefore, a backfit analysis is not required because these amendments do not involve any provisions that would impose backfits as defined in § 50.109(a)(1).

List of Subjects in 10 CFR Part 50

Antitrust, Classified information, Criminal penalties, Fire protection, Intergovernmental relations, Nuclear power plants and reactors, Radiation protection, Reactor siting criteria, Reporting and recordkeeping requirements.

For the reasons given in the preamble and under the authority of the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974,

as amended, and 5 U.S.C. 553, the NRC is proposing to adopt the following amendment to Part 50.

PART 50 - DOMESTIC LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

1. The authority citation for Part 50 continues to read as follows:

AUTHORITY: Secs. 102, 103, 104, 105, 161, 182, 183, 186, 189, 68 Stat. 936, 937, 938, 948, 953, 954, 955, 956, as amended, sec. 234, 83 Stat. 1244, as amended (42 U.S.C. 2132, 2133, 2134, 2135, 2201, 2232, 2233, 2236, 2239, 2282); secs. 201, as amended, 202, 206, 88 Stat. 1242, as amended, 1244, 1246 (42 U.S.C. 5841, 5842, 5846).

Section 50.7 also issued under Pub. L. 95-601, sec. 10, 92 Stat. 2951 (42 U.S.C. 5851). Section 50.10 also issued under secs. 101, 185, 68 Stat. 955, as amended (42 U.S.C. 2131, 2235); sec. 102, Pub. L. 91-190, 83 Stat. 853 (42 U.S.C. 4332). Sections 50.13, 50.54(dd), and 50.103 also issued under sec. 108, 68 Stat. 939, as amended (42 U.S.C. 2138). Sections 50.23, 50.35, 50.55, and 50.56 also issued under sec. 185, 68 Stat. 955 (42 U.S.C. 2235). Sections 50.33a, 50.55a and Appendix Q also issued under sec. 102, Pub. L. 91-190, 83 Stat. 853 (42 U.S.C. 4332). Sections 50.34 and 50.54 also issued under sec. 204, 88 Stat. 1245 (42 U.S.C. 5844). Sections 50.58-50.91, and 50.92 also issued under Pub. L. 97-415, 96 Stat. 2073 (42 U.S.C. 2239). Section 50.78 also issued under sec. 122, 68 Stat. 939 (42 U.S.C. 2152). Sections 50.80-50.81 also issued under sec. 184, 68 Stat. 954, as amended (42 U.S.C. 2234). Appendix F also issued under sec. 187, 68 Stat. 955 (42 U.S.C. 2237).

2. In § 50.36, paragraphs (c)(2) and (3) are revised to read as follows:

§ 50.36 Technical specifications.

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(2) Limiting conditions for operation.

(i) Limiting conditions for operation are the lowest functional capability or performance levels of equipment required for safe operation of the facility. When a limiting condition for operation of a nuclear reactor is not met, the licensee shall shut down the reactor or follow any remedial action permitted by the technical specifications until the condition can be met. When a limiting condition for operation of any process step in the system of a fuel reprocessing plant is not met, the licensee shall shut down that part of the operation or follow any remedial action permitted by the technical specifications until the condition can be met. In the case of a nuclear reactor not licensed under § 50.21(b) or § 50.22 of this part or fuel reprocessing plant, the licensee shall notify the Commission, review the matter, and record the results of the review, including the cause of the condition and the basis for corrective action taken to preclude recurrence. The licensee shall retain the record of the results of each review until the Commission terminates the license for the nuclear reactor or the fuel reprocessing plant. In the case of nuclear power reactors licensed under

§ 50.21(b) or § 50.22, the licensee shall notify the Commission if required by § 50.72 and shall submit a Licensee Event Report to the Commission as required by § 50.73. In this case, licensees shall retain records associated with preparation of a Licensee Event Report for a period of three years following issuance of the report. For events which do not require a Licensee Event Report, the licensee shall retain each record as required by the technical specifications.

(ii) A technical specification limiting condition for operation of a nuclear reactor must be established for each item meeting one or more of the following criteria:

(A) Criterion 1. Installed instrumentation that is used to detect, and indicate in the control room, a significant abnormal degradation of the reactor coolant pressure boundary.

(B) Criterion 2. A process variable, design feature, or operating restriction that is an initial condition of a design basis accident or transient analysis that either assumes the failure of or presents a challenge to the integrity of a fission product barrier.

(C) Criterion 3. A structure, system, or component that is part of the primary success path and which functions or actuates to mitigate a design basis accident or transient that either assumes the failure of or presents a challenge to the integrity of a fission product barrier.

(D) Criterion 4. A structure, system, or component which operating experience or probabilistic safety assessment has shown to be significant to public health and safety.

(iii) A licensee is not required to modify technical specifications that are included in any license issued before [insert the effective date of this document] to satisfy the criteria in paragraph (c)(2)(ii) of this section. However, for technical specification amendments a licensee proposes after [insert the effective date of this document], the criteria in paragraph (c)(2)(ii) of this section provide an acceptable scope for limiting conditions for operation.

(3) Surveillance requirements. Surveillance requirements are requirements relating to test, calibration, or inspection to assure that the necessary quality of systems and components is maintained, that facility operation will be within safety limits, and that the limiting conditions for operation will be met.

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Dated at Rockville, Maryland, this _____ day of _____, 1994.

FOR THE NUCLEAR REGULATORY COMMISSION.

Samuel J. Chilk,
Secretary of the Commission.

ENCLOSURE 3

LETTERS TO CONGRESS



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable Philip R. Sharp, Chairman
Subcommittee on Energy and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In the near future, the Nuclear Regulatory Commission intends to publish in the Federal Register the enclosed proposed amendment to the Commission rules in 10 CFR Part 50. The amendment, if adopted, would establish criteria for determining the content of technical specifications for nuclear power reactors. The proposed rule does not impose any requirements but, rather, allows licensees to voluntarily use the criteria as a basis to propose the relocation of existing technical specifications that do not meet any of the criteria from the facility license to licensee-controlled documents. The Commission is issuing the proposed rule for public comment.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Representative Michael Bilirakis



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable Richard H. Lehman, Chairman
Subcommittee on Energy and Mineral Resources
Committee on Natural Resources
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In the near future, the Nuclear Regulatory Commission intends to publish in the Federal Register the enclosed proposed amendment to the Commission rules in 10 CFR Part 50. The amendment, if adopted, would establish criteria for determining the content of technical specifications for nuclear power reactors. The proposed rule does not impose any requirements but, rather, allows licensees to voluntarily use the criteria as a basis to propose the relocation of existing technical specifications that do not meet any of the criteria from the facility license to licensee-controlled documents. The Commission is issuing the proposed rule for public comment.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Representative Barbara Vucanovich



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable Joseph I. Lieberman, Chairman
Subcommittee on Clean Air and Nuclear Regulation
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In the near future, the Nuclear Regulatory Commission intends to publish in the Federal Register the enclosed proposed amendment to the Commission rules in 10 CFR Part 50. The amendment, if adopted, would establish criteria for determining the content of technical specifications for nuclear power reactors. The proposed rule does not impose any requirements but, rather, allows licensees to voluntarily use the criteria as a basis to propose the relocation of existing technical specifications that do not meet any of the criteria from the facility license to licensee-controlled documents. The Commission is issuing the proposed rule for public comment.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Senator Alan K. Simpson

ENCLOSURE 4

PUBLIC ANNOUNCEMENT

NRC PROPOSES TO AMEND REQUIREMENTS GOVERNING
TECHNICAL SPECIFICATIONS FOR NUCLEAR POWER PLANTS

The Nuclear Regulatory Commission is proposing to amend its requirements governing the content of technical specifications for licensed nuclear power plants.

Technical specifications set forth the specific characteristics of a nuclear power plant and the conditions for its operation that are required to provide assurance that the public health and safety will be protected. Technical specifications cannot be changed without the approval of the NRC staff.

Historically, technical specifications have been based on information contained in a licensee's Final Safety Analysis Report but, more recently, have expanded to include essentially all other Commission requirements governing the operation of nuclear power plants.

This broad use of technical specifications to impose requirements has diverted both NRC staff and licensee attention from the more important requirements in the technical specifications and may have had an adverse but unquantifiable impact on safety.

Accordingly, the Commission is proposing to add four criteria to its regulations to govern what should be included in technical specifications as limiting conditions for operation. Limiting conditions for operation, if exceeded, require shut down of a facility or remedial action until the condition can be met.

As proposed, the four criteria would be the same as those listed in the Commission's Final Policy Statement on Technical Specifications Improvements for Nuclear Power Reactors issued in July last year. They are:

instruments used to detect, and indicate in a reactor control room, significant abnormal degradation of the reactor coolant system pressure boundary;

a variable, design feature or operating restriction that is an initial condition of an accident or transient analysis that assumes the failure of or presents a challenge to a barrier designed to prevent the release of radioactivity;

a structure, system or component which functions to mitigate an accident or transient that assumes the failure of or presents a challenge to the integrity of a barrier to prevent the release of radioactivity; and

a structure, system or component which operating experience or a probabilistic safety assessment has shown to be significant to public health and safety.

As proposed, a licensee could ask that limiting conditions for operation that do not meet any of the criteria, and their associated actions and surveillance requirements, be relocated to other licensee-controlled documents such as the Final Safety Analysis Report.

Written comments on the criteria, and criterion four in particular, should be received by (date). They should be addressed to the Secretary of the Commission, Nuclear Regulatory

Commission, Washington, D.C. 20555, Attention: Docketing and
Service Branch.