

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Title: BRIEFING ON NRR LICENSING ACTIONS
PROGRAM - PUBLIC MEETING

Location: Rockville, Maryland

Date: Wednesday, May 3, 1995

Pages: 1 - 73

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1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

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4 BRIEFING ON NRR LICENSING
5 ACTIONS PROGRAM - PUBLIC MEETING

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8 U.S. Nuclear Regulatory Commission
9 One White Flint North
10 Rockville, Maryland

11
12 Wednesday, May 3, 1995

13
14 The Commission met in open session, pursuant to
15 notice, at 2:02 p.m., Ivan Selin, Chairman, presiding.

16
17 COMMISSIONERS PRESENT:

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

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1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:
2 JOHN HOYLE, Secretary of the Commission
3 KAREN CYR, General Counsel
4 JAMES TAYLOR, EDO
5 WILLIAM RUSSELL, Director, Office of NRR
6 ROY ZIMMERMAN, Associate Director for Projects,
7 NRR
8 BRIAN GRIMES, Director, Division of Project
9 Support, NRR
10 STEVE VARGA, Director, Division of Reactor
11 Projects-I/II, NRR
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P R O C E E D I N G S

[2:02 p.m.]

CHAIRMAN SELIN: Good afternoon, ladies and gentlemen.

There has been quite a remarkable set of initiatives within the staff and particularly within NRR to bring both some coherence and some further efficiencies to our regulatory program and particularly to the licensing actions, whether they have been generic or plant specific and reactor licensing is a key function of the Agency and it is an ongoing function. It doesn't end when the reactors start operating.

In the past, we have found ourselves in what was allegedly a static situation with just a huge backlog of licensing activities. NRR has been quite ingenious in coupling systematic attempts to improve the situation, in particular the standard technical specifications but a whole set of steps that would not so much speed up the licensing action but make a large set of them just unnecessary which is the most direct approach to the problem, coupled with some generic improvements and then with just some hard applications on a site-specific basis.

So today we will concentrate on the licensing program and the backlog but there will be a number of insights, I sincerely hope, on the substantive part of these

1 and not just the procedural part. In fact, I am really
2 quite pleased that we are reviewing our whole range of
3 generic issues. These will become increasingly important as
4 plants age. Under Mr. Zimmerman's expert supervision, we
5 have done a good job on handling site-specific issues but we
6 always knew that was just sort of a downpayment on the
7 activities, so for your good work, you are rewarded with
8 twice as much of a work load.

9 So now it is time, in addition to keeping up on
10 the site-specific projects, to look at ways of obviating the
11 problem or at least treating the problem on a generic basis.
12 We also need to work on a way to interact with the industry
13 so that our priorities are comparable to theirs and to keep
14 the general public as part of the program, not just as
15 passive recipients of information but so they understand
16 what we are doing and have an opportunity to share their
17 views with us.

18 This may be a little bit of a strain for one
19 briefing to carry, but I see this briefing not just to
20 transmit information but to be a small contribution to these
21 broader objectives at the same time.

22 Mr. Taylor.

23 MR. TAYLOR: Good afternoon. With me at the table
24 are Bill Russell, Roy Zimmerman, Brian Grimes and Steve
25 Varga all of NRR.

1 Mr. Chairman, you have introduced the range of
2 topics that the staff will cover today and Roy Zimmerman
3 will open.

4 MR. ZIMMERMAN: Good afternoon.

5 As Jim mentioned, we are going to cover a number
6 of different areas. There are four major areas that we want
7 to discuss associated with our licensing action program.
8 The first item associated with licensing actions and
9 activities will be covered in some detail by Steve Varga and
10 then Brian Grimes will address the other three.

11 May I have the first slide, please?

12 [Slide.]

13 MR. ZIMMERMAN: As an overview, we have had a
14 number of successes primarily in the first two items that
15 are mentioned on this slide. We also have a number of
16 initiatives in place to try to assist us in areas where we
17 have program weaknesses which are primarily the third and
18 fourth items on this slide.

19 Many of our initiatives that we have under way are
20 also addressed in the Public Responsiveness Assurance
21 Assurance Plan, recognizing the importance of making sure
22 the public remains part of our efforts. Regarding the
23 licensing actions and activities, our backlog or inventory
24 of licensing actions --

25 [Laughter.]

1 MR. ZIMMERMAN: You caught that quickly.

2 CHAIRMAN SELIN: That's right. We've gotten rid
3 of our backlog.

4 MR. ZIMMERMAN: Right. Our backlog, which I will
5 now refer to as inventory for the rest of the discussion is
6 beginning to drop and the backlog is continuing to drop for
7 licensing activities.

8 CHAIRMAN SELIN: We don't have inertia, we have
9 momentum.

10 MR. ZIMMERMAN: Right.

11 The median age of our licensing actions has also
12 dropped over the past few years and we are better focused on
13 working on our items by addressing the assigned priority and
14 not just on the age of the items. We have been integrating
15 better the priority with the age.

16 With regard to the tech spec improvement program,
17 since our Commission briefing on the 28th of March, we have
18 held a public workshop on April 13 to discuss the tech spec
19 improvement program and the CBOA program with the industry.
20 It was very well attended by the industry and I believe we
21 will see more utilities signing on for conversions in the
22 near future.

23 In several years, as more plants convert their
24 tech specs, I would expect that the licensing action
25 submittals should decrease. An estimate would be that we

1 will have about one-third as many licensing actions coming
2 in as more plants convert. At this point, there still is
3 not a lot of data with the five plants that we have had
4 convert today, with Crystal River having about a year-and-
5 a-half worth of information.

6 We still need better data in time to be able to
7 fine tune that number, but the best estimate at this point
8 would be about a third of the licensing activities or
9 licensing action order. However, in the short term, there
10 will still be considerable resources that are going to be
11 needed to complete the tech spec conversion program, so our
12 resources will be heavily devoted in that area and also
13 working on our backlog of licensing actions.

14 With regard to license amendment improvement
15 process, we have efforts under way to reduce our review time
16 by trying to minimize and delete the redundancy that we
17 currently have on our program. We have a significant
18 initiative under way to improve our screening of our license
19 amendments, looking for generic implications associated with
20 those amendments. We believe that we should be able to
21 increase our efficiency by taking advantage of the inherent
22 generic nature of many of the licensing actions.

23 With regard to the management of generic safety
24 issues, this is an area that NRR has been devoting
25 considerable time to over the last year. Although we feel

1 we do a good job in addressing those items of high safety
2 significance, we don't do as good a job in documenting our
3 justifications for the actions that we take and we recognize
4 that we need to do better in that area.

5 A lot of times, we will make a determination that
6 an item is not that safety significant and does not warrant
7 immediate action or perhaps even any further action on the
8 staff's part but we don't document in real time as well as
9 we need to those conclusions. When we need to go back,
10 historically, to evaluate where or how we made our
11 conclusions, it is difficult for us to do that sometimes.
12 We want to shore up that part of our effort.

13 We also are looking at just improving the overall
14 project management of generic issues. We have generic
15 issues that you will hear about this afternoon that come to
16 us from many different avenues. We want to make sure that
17 all of those receive a proper review, a timely review, and
18 that we identify as early as possible items that have
19 potential safety significance.

20 With that backdrop, let me turn the presentation
21 over to Steve Varga.

22 MR. VARGA: My discussion this afternoon will
23 cover the current status of the licensing act inventory. I
24 will have some comments about the recent history and trends
25 and outline some of the actions we have already taken to

1 further improve our performance in this responsiveness to
2 this area. Then I will briefly cover the licensing
3 activities, status and its trends.

4 May I have the first slide, please?

5 [Slide.]

6 MR. VARGA: Just to refresh, we have divided the
7 work load in the licensing inventory into two categories.
8 One we call licensing actions. These are tasks that are
9 associated specifically with requests by the licensee which
10 require an NRC approval before implementation and, as
11 indicated, such things as license changes, tech spec
12 changes, exemptions, reliefs and so forth.

13 Then we have divided the other category we call
14 activities. These are tasks associated with various actions
15 that we are taking and various applications which do not
16 require NRC approval. Most of these activities are
17 associated with what we call multi-plant actions that arise
18 from generic issues and bulletins that we have requested the
19 licensees and want the licensees to act on. Other items
20 included are the 2006 petitions, assistant to the regions,
21 allegations, event followup and so on. Concentrating
22 primarily on the licensing action inventory for the moment
23 because that is where most of the concern lies, particularly
24 with licensees.

25 CHAIRMAN SELIN: I would like to -- well, let's

1 call a -- I would like to apologize. I think inventory is
2 actually a much better word than backlog. Backlog implies
3 it has been around for a while but the inventory is the full
4 set of actions we have to work on. It was a slippery
5 transition but I think -- please go ahead.

6 MR. VARGA: Regardless of what you call it,
7 backlog is still there and we have to address it.

8 Let me have the next slide, please.

9 [Slide.]

10 MR. VARGA: This slide shows the licensing action
11 inventory for the last two-and-a-half fiscal years. Back in
12 about '93 and '94, with the emphasis on advanced reactors,
13 we expected that the licensing action inventory was going to
14 go up. In fact, we had predicted a significantly higher
15 increase than what we experienced and the reason we think
16 that is is because of some factors that we took into account
17 in order to control that and to minimize the impact.

18 Back about in '93, we instituted a program where
19 the project managers would now review the licensing actions
20 that have come in, particularly those that are more routine
21 and those that are lower priority. In '93 and '94, project
22 managers processed approximately 40 percent of the licensing
23 action completions. They do this by reviewing the licensing
24 amendment request, they research to see what other
25 amendments have been granted similarly with -- and review

1 the safety evaluation, they prepare the SER and then get the
2 concurrence of the technical -- appropriate technical
3 branch, which significantly relieves the work load on the
4 technical branch but yet keeps them cognizant. So that has
5 been a very helpful activity.

6 Also, line item improvement program that was
7 generated about that time, wherein we announced to the
8 industry the availability of specific line item improvements
9 which accompanied the documentation with a specific generic
10 SER which was, if then followed, the licensee could then
11 apply for it with the appropriate tech spec change. This
12 resulted in a rather fairly quick review by the project
13 manager who would review the generic SER, review what the
14 licensee had proposed and then process the amendment. So
15 there was a very decided effort to try to control the
16 inventory.

17 Then, later on as you can see on the chart, that
18 in the first -- last quarter of -- first quarter of '95 and
19 the second quarter, not only did we decrease the inventory
20 but we decreased it significantly. One of the items that
21 resulted in that was about that time we experienced some
22 resource drop in the advanced reactors and we were getting
23 much better response in terms of technical branch reviews
24 because of the resources that have become available.

25 Let me go to the next slide and show you what the

1 action completion versus incoming is.

2 May I have the next slide, please?

3 [Slide.]

4 MR. VARGA: This goes back to the next two-and-a-
5 half years and indicates where the incoming, the dark line,
6 and how we are following it with completions. I
7 particularly would like to draw your attention to the
8 last -- the first quarter and the second quarter in '95.
9 This also is indicative and we feel very influenced by the
10 additional resources that we have been able to gain in this
11 area.

12 Now, we don't expect that the dropoff shown in
13 that first and second quarter of '95, we don't expect that
14 is going to continue. It is going to probably follow the
15 same saw-toothed curve that we have here earlier. One thing
16 about licensing actions, when the licensee is down for
17 refueling like, for instance, in the last several weeks
18 about 25 or 30 percent of the licensees have been down for
19 refueling, well just before then we experienced a rather
20 significant increase in license requests, amendment requests
21 and some of them fairly high priority or if they are in an
22 extended shutdown, a maintenance shutdown or some shutdown
23 where a significant activity takes place, we see a
24 significant amount of activity and licensing actions.

25 Nevertheless, with the initiatives that we have

1 taken -- and also important here are the licensees.
2 Submittals from the licensees are significantly improving
3 over the last year. They have done a lot of their own
4 research. When they come in with an amendment, they usually
5 refer to other licensees similarly that have asked for that.
6 This cuts down significantly on our requests for additional
7 information, how we process it is a much more
8 straightforward review.

9 CHAIRMAN SELIN: Mr. Varga, is there an industry
10 clearinghouse to facilitate that or is it each individual
11 licensee?

12 MR. VARGA: We asked that question. There is a
13 great deal of traffic among the licensees. Whether there is
14 a central clearinghouse, I don't know. But they do have --
15 I do know amendments that we have gotten have referred to
16 two or three other plants.

17 CHAIRMAN SELIN: But it is a mesh, not a star at
18 this point?

19 MR. VARGA: No.

20 MR. RUSSELL: We've been encouraging that. There
21 is some work going on in the industry with some support with
22 NEI as it relates to cost beneficial licensing actions that
23 we will be talking about later. We have some initiatives
24 that we are going to discuss that will potentially make this
25 even better.

1 MR. VARGA: As Brian will show, we internally are
2 doing that. We are taking licensing actions that we have
3 processed and we're identifying them to help the project
4 manager to see what had been done before.

5 May I go on to the next slide, please.

6 [Slide.]

7 MR. VARGA: This indicates the open licensing
8 activities as of the end of the second quarter in '95.
9 There has been a significant -- starting about in March of
10 '94, just about when Bill Russell came and at his urging, we
11 set up a force to see if we can't control the backlog of the
12 older items, particularly, to see if we can't significantly
13 reduce those and we have done -- we have been quite
14 successful.

15 Where our problem is and where we are giving
16 additional attention to is that while we are working on
17 items that are in the backlog greater than a certain age,
18 others begin to age as well and so it is a matter of trying
19 to keep up with it. So what we are doing is going back and
20 seeing those that are perhaps just on the verge of becoming
21 older items in the terms of our goals and I will be
22 discussing the goals in a minute.

23 We have a group established that through the
24 project directors and the project managers, we every month
25 publish to them a list of all of the open items that they

1 have, make it quite visible, and with the project directors
2 and the project managers, we have been very successful in
3 reducing it but we still have some nagging issues that we
4 are concentrating on and hopefully we will see a significant
5 drop in these aged items and that our goals that we have
6 established will be achieved. We are not far off. In fact,
7 as you will see, we are pretty close, but I think there are
8 some things that we can continue to do.

9 COMMISSIONER ROGERS: Before you leave that slide,
10 Steve, I wonder if you could say something about a couple of
11 the categories and numbers here. For example, the items
12 greater than 36 months old are priority two.

13 MR. VARGA: Right.

14 COMMISSIONER ROGERS: What is the holdup on those?

15 MR. VARGA: Well, let me refer you -- let me put
16 back up slide C which will show those 12 items there
17 completely, those 12 items that we have there. This is also
18 an area where this group that we have are concentrating to
19 be sure that we are looking at those.

20 The items shown, back up slide C --

21 MR. ZIMMERMAN: While we are waiting for the
22 slide, the question that you raised, Commissioner, is
23 exactly what we are trying to do better at is to focus on
24 items like why do we have items greater than three years old
25 that are priority two and making sure the management team

1 focuses on that. Why do we have priority one items that are
2 greater than two years old and those are the ones that we
3 are going after first now.

4 MR. RUSSELL: In addition to the PDEs meeting on
5 this monthly, Steve gets the opportunity to present the
6 status on all of these at all of our retreats and frequently
7 with the senior managers so we are giving this a lot of
8 visibility and I think we will see that they are coming
9 out --

10 COMMISSIONER ROGERS: Well, it wasn't really from
11 a standpoint of a criticism but just trying to understand
12 what are the elements that lead to, you know, something
13 being a nagging problem that doesn't seem to close out.

14 MR. VARGA: In many instances, I wouldn't say most
15 but in many instances it is the licensee that proposes an
16 alternative to the request that we have had and that will
17 require -- it is usually an alternative the staff is not
18 particularly familiar with and requires a great deal of back
19 and forth.

20 We have other issues there that the licensee
21 himself, in many instances -- in several instances, the
22 licensee himself has requested, when we discuss resource
23 allocation, has requested defer that one because I would
24 like to get this other one first. So there is some of that.
25 Not a lot, but there is some of that.

1 Regarding those 12, regarding those 12, there are
2 four particularly in Surry. One is an operability
3 surveillance requirement associated with Generic Letter 6.
4 I am not sure you can read that slide.

5 Surry I and II operability surveillance
6 requirements and then an amendment updating the main steam
7 line break analysis. All four of those have recently been
8 closed, that we have completed.

9 The one -- the top one that we have on Crystal
10 River and the question may be asked why in Crystal River
11 when we just issued to them recently an improved tech spec,
12 why that issue could not be resolved, it has to do with
13 pressure temperature limits and the licensee has requested a
14 new methodology to calculate his pressure temperature limits
15 which we are having a problem with. He still is operating
16 in accordance with Appendix G pressure limits and it is not
17 a problem. He is really looking at the pressure limits that
18 he would like to have for the low temperature over pressure
19 protection and he would like to use a somewhat more less
20 conservative methodology. That priority is incorrect. It
21 should have been a three.

22 I wanted to mention about priorities. We have
23 guidance on prioritization that is rather elaborate.
24 However, it does have some generalities in it. It says
25 things like "of high safety significance" or "medium safety

1 significance" or "low safety significance" and most of the
2 priorities in general are established by the project manager
3 and we are giving additional attention right now to the
4 prioritization. We are having the project directors take a
5 look and review along with -- in conjunction with the branch
6 chief, looking at the priorities to assure.

7 We have discovered a small number of
8 prioritizations that were not really warranted. Like, for
9 instance, this one was essentially priority three because
10 the safety significance was rather limited and there was no
11 crying need, either from the regulatory standpoint or from
12 the utility standpoint.

13 MR. ZIMMERMAN: I think this area is like many
14 others, that if management focuses attention and shines a
15 light on an area, we ought to be able to identify what the
16 holdups are on certain items and work through those in an
17 expedited manner. I think that is what we have already
18 found just from the short length of time that we have really
19 started a concerted effort in working on some of the older
20 higher priority numbers here.

21 What Steve just went through in terms of going
22 over certain selected ones and understanding the background,
23 that is something we are starting to do in a routine
24 fashion, is gravitate toward those and get an understanding
25 of what needs to be done to keep them working.

1 MR. VARGA: In some instances, for instance in the
2 Vermont Yankee one, the one next to the bottom having to do
3 with disposal of slightly contaminated soil, they had had a
4 small leak from one of their make-up tanks and under one of
5 the rad waste buildings it had contaminated the soil so the
6 question was whether it should be left in place or whether
7 they should remove the building and remove the soil.

8 About the time the staff got working on it, the
9 Part 20 problems came up and so the resources were put on
10 Part 20. We are about ready to come to a conclusion that
11 the best thing to do is to leave it where it is.

12 Similarly, the others, we are in the process, I
13 have status reports on each one and we are getting
14 attention. In some instances, it is the fact that it was a
15 priority three and just putting a little light on it is
16 helpful to get some action on it.

17 COMMISSIONER ROGERS: Well, also it is helpful to
18 notice that half of these 12 are at just two plants.

19 MR. VARGA: Yes.

20 May I have the next slide, please, the next slide,
21 slide six.

22 [Slide.]

23 CHAIRMAN SELIN: Later on, you will tell us the
24 question that would have elicited backup charts A and B so
25 we will know what we missed along the way.

1 MR. VARGA: These are the licensing actions that
2 we have completed in fiscal year '94, 1520 and although
3 median age one looks at it with somewhat of a jaundiced eye,
4 nevertheless priority ones, 1.4 median age months is very
5 heartening. The overall median age of all the 1520 was like
6 about six.

7 The next slide --

8 COMMISSIONER ROGERS: I think that is very
9 encouraging.

10 MR. VARGA: It is encouraging.

11 COMMISSIONER ROGERS: That is a good record.

12 MR. VARGA: The next slide shows even more so the
13 changes and the improvements we have made over the last five
14 years. It was in 1990 that the 13 months I can well -- I
15 remember those times where we were trying to get issues out
16 and the backlog was growing and it -- to see something like
17 six in '95, I never would have predicted that we would be
18 there in 1990.

19 COMMISSIONER ROGERS: I think it is a remarkable
20 achievement because I can remember when that was an issue
21 that we kept bugging you folks on all the time and the '94
22 to '95, there is a little trend upward there. Do you think
23 that is a trend or do you think that is a slight aberration?

24 MR. VARGA: No, I think that is just an anomaly
25 associated with specifically some of the licensing actions

1 that had come in at that time, but we are going to be
2 watching that very carefully and we owe Bill a contract in
3 terms of doing something specific, not only about the median
4 age but about the licensing backlog and the older items.

5 May I have the next slide, please.

6 [Slide.]

7 MR. VARGA: Would you folks pull in on the upper
8 left? This has to do with the licensing. Our goal is to
9 have 80 percent of the inventory no greater than one year
10 old, and we have been fluctuating around the 70 percent
11 mark, but in order to better that we are going to have to do
12 the other goal. We are going to have to be sure that we are
13 at least achieving or meeting the other goals that we
14 require.

15 Would you show the upper right hand blocks?

16 These are the licensing actions from zero to two
17 years old, and as you can see, we were up in early-mid '94
18 we were getting closer to it, and now in '95 in spite of our
19 efforts of closing issues, we are down a little lower. What
20 that is, as you recall, in the earlier chart I showed you
21 about the open licensing actions, there's something like 230
22 that are between one year and two year old, and so what we
23 have got to do is to see that we can get some of those
24 completed so that they don't fall into the zero to two year
25 old category and so we are hoping that that will then

1 improve that zero to two year goal, get it up to the 95
2 percent and similarly then the zero to one year goal will
3 climb as well.

4 The other two, the zero to three years and the
5 greater than three years, focus on the lower right-hand
6 corner. I mentioned about the time we had the retreat with
7 Bill we initiated an effort, particularly on the greater
8 than three year olds, because we took quite a berating on
9 those larger ones, and we established an effort and although
10 it's just 4 percent it was like 50 items that we closed and
11 we're down now to something significantly less -- so we hope
12 to have that continued.

13 CHAIRMAN SELIN: But I would repeat something that
14 was said earlier, which is the -- you know, the idea is not
15 just to shuffle numbers, but to concentrate on the highest
16 priorities.

17 MR. VARGA: Yes.

18 MR. ZIMMERMAN: Right.

19 CHAIRMAN SELIN: Because otherwise you could just
20 have a rule that after two years everything is rejected and
21 then your statistics would look terrific but that's not --

22 MR. ZIMMERMAN: What we are doing is we are
23 keeping this in focus so that we still maintain these goals
24 but the overlay over the earlier slide, that showed the
25 priority.

1 MR. VARGA: I want to emphasize that point, that
2 with the project managers and with our efforts to that we
3 don't dilute the efforts on the significant Priority 1
4 items, we don't go to the tech branches and try to subvert
5 the Priority 1 items in the face of getting a number better.

6 MR. ZIMMERMAN: The places where this works best
7 are those licensees that have Top 10 programs where we
8 communicate on a regular basis and we understand what their
9 needs are and their desires are, and as long as there's not
10 some safety difference between our thinking and theirs, we
11 try to work toward their Top 10 priority items.

12 MR. VARGA: The project managers every month, at
13 least every month, and when they are in refuelling outages
14 probably two or three times a week, are in contact with the
15 licensee, go over all of the open items and the licensee's
16 priorities and just recently we have gotten from two senior
17 vice presidents some laudatory comments on the project
18 managers and our performance in some of the high priority
19 licensing actions that they needed.

20 May I have the next slide, please? Slide 9.

21 [Slide.]

22 MR. VARGA: This shows the licensing action
23 inventory over the last two and a half years and shows a
24 rather remarkable decrease in the inventory --

25 MR. ZIMMERMAN: Activity now -- we are now on

1 activity.

2 MR. VARGA: Yes, activities. The activities
3 again, I remind you, is those items that we don't -- that
4 the license -- that we don't have to approve prior to
5 implementation but it also includes other activities such as
6 assistance to the regions, TIAs, allegations and that sort
7 of thing, most of it non fee recoverable, except that events
8 follow-up, if we have an AIT for instance, that is fee
9 recoverable -- specifically, by a specific plant.

10 The trends down are attributable to several
11 things.

12 First, the number of multiplant actions that we
13 have generated, and as I mentioned earlier the majority of
14 licensing activities are associated with multiplant actions,
15 and we have significantly decreased the number of multiplant
16 actions that we have been providing.

17 Those that we have been providing recently, except
18 for some notable exceptions like Thermo-lag and rod control,
19 most of them are certification type. We would have a
20 generic letter and request the licensee to certify.

21 This certification then would be reviewed by the
22 project manager and with a rather minimal review except to
23 see that the certification comports with the generic letter.
24 We would then have audit inspections to see that the
25 licensees have complied.

1 So what dominates as we get lower, as the next
2 slide will show -- may I have Slide 10?

3 [Slide.]

4 MR. VARGA: Well, it was the slide next after this
5 one, but what this shows is where we are on licensing
6 activities total, of where we are in terms of priorities and
7 in terms of the age of the items and we again are looking at
8 these as well, to see what can be done, and we have made
9 significant inroads, although we have significant problems
10 in some of the areas with prioritization, and we are
11 reviewing the priorities of each one of these items.

12 The next slide, Slide 11, shows where we are on
13 multiplant actions.

14 [Slide.]

15 MR. VARGA: These are the current open multiplant
16 actions. Now as you recall in the control and management of
17 multiplant actions what we have is we have designated and
18 have ever since the inception of multiplant actions, we have
19 designated a senior lead project manager, who is the focus
20 for the activities going there -- works with the branches,
21 reviews the generic letter, provides instruction, monitors
22 the progress in the review as well as the close-out.

23 I get periodic status reports. We have been doing
24 it once every six months. Now for these we have increased
25 it -- decreased it for once every three months we have

1 status reports, and I have the latest status report here.

2 There is a significant number that have already
3 been closed. For instance, if you go down the list, we have
4 already closed out the MOV. We had three open; we have
5 closed those out. We have closed the reactor vessel
6 integrity. We have significantly reduced the Thermo-Lag and
7 we also reduced the Rosemont -- and so we are continuing
8 efforts in monitoring and in closing out, particularly those
9 that are languishing because of perhaps the last 10 percent
10 and that's usually the case in some of the smaller ones
11 where there's only two or three left, that we usually have
12 90 percent of the licensees committing but it's the last 10
13 percent that we are probably having the problem with and
14 that is what we are looking at.

15 COMMISSIONER ROGERS: That Rosemont -- oh, excuse
16 me.

17 MR. RUSSELL: There's one other point that I
18 think, Steve, it's important to emphasize, and that is the
19 role that the lead project manager plays in ensuring that we
20 have a consistency across -- that we do not get into
21 different or substantially different approaches.

22 Different licensees may take a different tack in
23 resolving the issue but by having a lead project manager, we
24 assure some consistency in approach is taken across these.

25 COMMISSIONER ROGERS: This "Rosemont Transmitters"

1 issue -- what precisely is that? It's my recollection there
2 were several different problems with Rosemont.

3 MR. VARGA: This one has to do with the oil fill.

4 COMMISSIONER ROGERS: This is the oils? This is
5 the leaking oil issue?

6 MR. VARGA: The leaking oil and the oil fill.

7 COMMISSIONER ROGERS: I see. I see. I thought
8 that one was fixed a long time ago.

9 MR. ZIMMERMAN: It was fixed with a design change
10 that Rosemont made back in 1989. A number of utilities have
11 changed out those transmitters to affect the modification.
12 What we are doing is going out through our inspection
13 efforts and verifying that the design change has either been
14 made or those that we view as not susceptible to the problem
15 are doing the appropriate trending that we called for in the
16 bulletin.

17 It's an inspection activity that remains open.

18 CHAIRMAN SELIN: There's 17 inspections that have
19 yet to be done? Is that what that says?

20 COMMISSIONER ROGERS: Right. This is aimed at
21 completing the inspections. We issued a temporary
22 instruction on it, provided a period of a year to 18 months
23 based on the safety significance of the issue in our minds,
24 and that is the number that remain.

25 MR. RUSSELL: For example, if the licensee came

1 back and indicated that they were going to follow an
2 augmented surveillance activity for suspect lots of
3 transmitters and that they were going to do enhanced
4 surveillance, that commitment to that enhanced surveillance,
5 that's what has been described, and it may not be the same
6 approach that we proposed generically. That review is
7 ongoing and we want to see some of the results of that
8 before we sign off to say it's complete.

9 Some of these have very specific inspection
10 requirements for them and when we issue a multiplant action
11 we decide what is the scope of inspection activity to be
12 followed up on each one and we issue instructions to the
13 field and then we have a consistent follow-up on each one.

14 In the case of Rosemont we are doing 100 percent
15 inspection follow-up on the Rosemont detector issue.

16 [Slide.]

17 MR. VARGA: The next slide -- I'm not sure, it's
18 somewhat confusing but I think there is a rationale to it.

19 What it shows by fiscal year is the median age of
20 those licensing activities that we had completed, MPA
21 licensing activities that we had completed during that year.

22 As you can see in terms of median age, there is
23 from 21.8 down to 5, which is somewhat of an anomaly, but
24 then it increases back up to where I think the explanation
25 is, is that during the '92 to the '93 timeframe we had

1 issued a number of MPAs that were rather straightforward --
2 the certification type.

3 We have not issued many MPAs since except from
4 some notable exceptions and so consequently the harder ones
5 are beginning to dominant and the less MPAs in the harder
6 ones, which are older, so therefore whatever we do close out
7 we find the median age is rather significantly increased.

8 In summary, I think our program is moving in the
9 right direction. I think that with the continued efforts by
10 the project managers, the line item improvements, with the
11 resources, with the improved quality of the licensees and of
12 course as mentioned earlier the standard tech specs.

13 For instance, Crystal River and Hatch both are in
14 my division. Crystal River about a year and a half ago,
15 their history has been like 15 a year. We anticipate in
16 talking with the licensee, it is anticipated that probably
17 like maybe two or three a year. We'll wait and see whether
18 or not that happens but that is the perception.

19 Hatch, which has just received it, and of course
20 we have very little data on that, Hatch gets about 13
21 licensing actions a year over the last two or three years
22 and it's anticipated that likewise we should see a drop, so
23 with all of those and with continued activities I think that
24 we will get a control and maintain a reasonable, respectable
25 inventory.

1 That's all I have.

2 MR. RUSSELL: One last observation. That is
3 licensing actions are generally things, for the most part
4 are things licensees are requesting, so we have a motivated
5 customer on the other end that wants to supply information
6 that is necessary to close the issue out.

7 On the other hand, when you look at multiplant
8 actions and you are talking about Rosemont transmitter
9 issues and Thermo-Lag and some of the other items on the
10 list, these are issues that the NRC has identified and we
11 get replies from the licensees and sometimes it takes a lot
12 of interaction back and forth to close the issue out, and so
13 it is generally more difficult to close out the generic
14 issues because there is not always the same motivation on
15 the other end to resolve the issue.

16 MR. ZIMMERMAN: We can go to the next slide,
17 please.

18 [Slide.]

19 MR. ZIMMERMAN: I want to take a moment and go
20 back in time to the March 28th Commission briefing on
21 regulatory reform initiatives and during that briefing this
22 same slide was presented and the Commission had a question
23 regarding the denials.

24 I would like to talk about that for a few
25 moments -- also just take a second, since this is the old

1 slide at that time -- and provide you just some new numbers
2 quickly, that the number of CBLAs that have been submitted
3 is now up to 171 and 109 have been approved and currently
4 there are no changes with regard to the denials and
5 withdrawn, although there is a potential for a denial in the
6 not-to-near future -- and the estimated savings is now \$485
7 million.

8 Next slide, please.

9 [Slide.]

10 MR. ZIMMERMAN: As it turns out, the eight denials
11 come from utilities that were coming in with CBLAs that have
12 dual plants. So we are really talking four issues that made
13 up those eight denials, and they are listed here on this
14 slide.

15 The first one dealing with a Thermo-Lag exemption
16 from a three-hour barrier in a particular room; the second
17 one, the use of an electronic fire watch in lieu of a human
18 fire watch.

19 The third one was interesting. It was a request
20 for the NRC not to do an inspection overview of an off-year
21 emergency exercise from the standpoint of the fees and the
22 cost of supporting us an inspection.

23 We were not intending on doing that. It shows up
24 here as an denial, but it's really -- it is really not a
25 denial. We were never planning on doing the inspection in

1 the first place. It really wouldn't fall into a CBLA
2 category, but we did capture it here.

3 The last one was a proposal to write the entire
4 operator licensing exam.

5 MR. RUSSELL: There's an important generic issue
6 there. We are not allowing licensees to claim CBLAs to
7 defer inspection activity. This is more in the context of
8 amendments or relief or things like that. That was also
9 part of the background. We weren't intending to do it. it
10 was not really a CBLA per se.

11 MR. ZIMMERMAN: Right. And the last item dealt
12 with a request to write the entire operating licensing exam
13 then for the NRC to administer it.

14 As you know, we are currently looking at this
15 whole program. This is the background information from the
16 prior Commission brief.

17 CHAIRMAN SELIN: Thank you.

18 MR. ZIMMERMAN: Now let me turn the presentation
19 over to Brian Grimes.

20 MR. GRIMES: The first topic I'd like to discuss
21 is the Technical Specification Improvement Program. The
22 Commission was last briefed in full on this in July and had
23 a brief update in the regulatory review group presentation
24 in March.

25 It has been a long effort. There as an interim

1 policy statement issue in 1987. We completed five model
2 improved specifications in 1992. There as a final policy
3 statement issued in 1993.

4 [Slide.]

5 MR. GRIMES: If I could have slide number 15, I
6 could discuss briefly the attributes of the Improved
7 Standard Technical Specifications. As you may recall, they
8 reduced the limiting conditions for operation by about 40
9 percent to provide better consistency among licensees in
10 requirements. We've put these specifications into a
11 human-factored, operator-friendly format for much easier
12 use; enhances the technical basis for the specific
13 requirements; links those requirements to a safety analysis,
14 and clarified many long-standing issues that both inspectors
15 and licensees had problems with in terms of operability and
16 surveillance practices and uniformity of completion times
17 when something was out of service.

18 Also, I want to say that another attribute which
19 Steve has mentioned is very important that we believe should
20 significantly reduce the number of amendments that are
21 submitted and thereby help reduce the inventory of these.

22 We've only had a little experience to date, and a
23 specific question was asked about this and CBLAs, so I think
24 back up to slide number E which is in your supplementary
25 handout, about the third to the last page. It gives the

1 recent history.

2 Crystal River is the only plant that we have a
3 significant time period under the improved tech specs, and
4 those are dates of issuances of the amendments. There has
5 only been three in the last year and a half submitted. One
6 of them relate to a power increase; another, fuel
7 enrichment, so they are not really related to the form of
8 the specifications themselves.

9 Clinton similarly had a couple of clean up items
10 that should have been caught, but were not caught by the
11 licensee during the conversion process, and there is another
12 -- both Clinton and Hatch submitted an amendment related to
13 a recent topical report approval of a new technical
14 position. So that will, in the future, be incorporated into
15 our conversions.

16 So we think that the evidence is we will have
17 substantially less in terms of CBLAs. Those things that
18 licensees have called CBLAs, about 30 percent of those we
19 think involve changes that, if they had converted, would not
20 have been required as separate amendments. So there are
21 some cost implications here also, that there are some cost
22 benefits to converting to the standard tech spec.

23 CHAIRMAN SELIN: I believe that the advantages of
24 this program are about as under appreciated as anything that
25 I've seen.

1 Since I'm here, in addition to the sort of
2 narrowly defined savings that one could get, I think a lot
3 of the licensees are underestimating the indirect effects,
4 even for themselves taken one at a time, because I just
5 can't reconcile the huge savings that people think they are
6 getting out of the CBLAs, at least a third of which they
7 would have gotten just from having the standard tech specs
8 in the first place, which would have been enough to pay for
9 the whole program, and the relatively modest estimates,
10 prospectively, of what the savings will be.

11 But even that, I think, misses the boat. In other
12 words, I think one of the mistakes that licensees make is
13 that they don't calculate for themselves, as if they were
14 the only -- I mean, just on their own terms.

15 What they are really missing is that this is a
16 network effect. That if we could get or if the licensees of
17 the industry would open its eyes and say, you know, if we
18 got half the plants or two-thirds of the plants on standard
19 technical specs, it would have drastic simplification of the
20 way that we do business. We could have whole divisions
21 going away, Mr. Grimes. You never can tell.

22 [Laughter.]

23 CHAIRMAN SELIN: But even more than that, you know
24 one of the complaints of the industry is that we are
25 capricious and random from plant to plant and from region to

1 region. Well, the reactors are capricious and random from
2 plant to plant, so it is really hard for us to evaluate our
3 inspection performance.

4 But if through standard tech specs they move more
5 to being a uniform universe, I expect that NRR management
6 would have a more replicable way of evaluating the quality
7 of our inspections and our inspectors, and variations that
8 aren't based on health and safety differences, they wouldn't
9 spring out, but they would be available under analysis and
10 they are not today.

11 So this is a real example of decision making,
12 plant-by-plant, utility-by-utility. It really is missing
13 half the boat.

14 It is a place where I would very much like to see
15 some industry leadership. Not just a completely
16 decentralized set of decisions to be made by the utility.

17 What would you do if we did have such a large
18 number of plants? Are these theoretical benefits?

19 MR. RUSSELL: No. In fact, I have a list that I
20 keep above my desk and every utility that comes in that is
21 in --

22 CHAIRMAN SELIN: "Keep it standard stupid." Yes.

23 MR. RUSSELL: -- the category of not having
24 decided yet or has decided no, I ask their senior management
25 to explain why the answer is no in light of some of the

1 things you just discussed.

2 And there is one other element that I think is
3 very important, and that is for years we have been hearing
4 about the differences between compliance type inspection and
5 safety inspection.

6 The fact that we've gone out generically and said
7 40 percent of the limiting conditions for operation and
8 surveillance requirements are not necessary from a safety
9 standpoint, and there is a generic evaluation allowing these
10 things to be changed, relocated, et cetera, to continue to
11 do those, to continue to expend licensee resources on
12 performing those activities, potentially subjecting
13 themselves to regulatory oversight for transgressions in
14 those areas when we've said they are not very safety
15 significant, just leaves a lot of issues on their plate that
16 aren't there because of a safety need.

17 And it is difficult to justify leaving them there,
18 but some licensees still look at it on a case-by-case basis:
19 "Well, I'd have to change that procedure and it costs me
20 money to change a procedure, it costs me money to change
21 training."

22 In the long run it also costs money to continue to
23 perform activities that are no longer required.

24 So that issue, I think, really needs to be pushed
25 as well. We are getting positive response. We have 43

1 licensees now who have committed formally.

2 CHAIRMAN SELIN: These licensees are plants?

3 MR. RUSSELL: Plants, excuse me. And based upon
4 discussions I am expecting that there will be a number of
5 additional letters coming in, and we've said we want it in
6 writing on the docket. It is not good enough to just say it
7 in the meeting as to what your intent is.

8 We've also said that this has priority and our
9 objective is to complete the review within six months of
10 getting a complete package from a licensee, and we will
11 reallocate resources to support that.

12 So if we need detail people, Mr. Grimes' branch,
13 to support those types of review activities, we will. If it
14 gets to the point we have so many we need to branches, we
15 will do that also.

16 It is obvious when you see what happens to the
17 number of license amendments in the future, that this ought
18 to be a high priority. And so we are doing that.

19 CHAIRMAN SELIN: Let me just say this. It is not
20 just a question of doing block license amendments instead of
21 fewer license amendments. It really is three things. One
22 is, it is a process by which a whole of changes can be
23 handled as 5059 changes instead of license amendments at
24 all.

25 I hear the utility saying we want to take back

1 control of the plants. There is a wonderful opportunity to
2 do that.

3 The second is a chance to -- we've really examined
4 the standard tech specs. When somebody puts those in, we
5 think we know the implications. Whereas, with these "onesy-
6 twosy" license amendments you are always nervous you are
7 going to miss something, so I think we get more safety out
8 of these.

9 Then the third set is the approach toward
10 standardization which we claim has such high safety benefits
11 as well as resource benefits. So we are really not just
12 saying would you like to put your effort into some paperwork
13 instead of non-safety related pieces. The question is can
14 we move, even with the existing reactors, to be much more
15 standardized, clear, and safety oriented?

16 Would you consider, Mr. Russell, at perhaps the
17 regulatory information conference to lay out the kind of
18 changes that you think you might be able to make in NRR if
19 enough people came to adopt the standard tech specs? In
20 other words, more than just the licensee specific
21 improvements, but a kind of generic statements.

22 MR. RUSSELL: Yes. In fact, we are looking at
23 that now. If, by the end of '97 we were able to get on the
24 order of half of the licensees on standard tech specs, that
25 would have significant implications as it relates to being

1 able to apply resources to other activities.

2 We are going to be briefing Mr. Taylor either
3 later this week or early next week, and our plan is to
4 complete that review. We've seen some very positive early
5 signs. We think there is real benefit also in the
6 inspection process for training for inspectors and others,
7 and for consistency of review, and we are looking at that.

8 We will have that as a discussion point in the
9 opening plenary session, and we do have a breakout session
10 planned at the regulatory information conference also on the
11 standard tech specs.

12 CHAIRMAN SELIN: Do you have any other programs
13 that are even in the same ballpark in terms of potential for
14 the standardization, the avoidance of what is called
15 capriciousness from region to region or reactor to reactor
16 in terms of being able to not only streamline our
17 operations, but apply some standard oversight techniques to
18 our field operations?

19 MR. RUSSELL: We believe that there are some
20 potentials for improvement in the inspection area. We are
21 going to be briefing the Commission in July on that, and we
22 also are going to be discussing it at our senior management
23 meeting and will be briefing you as a part of the follow-up
24 to the senior management process later in June.

25 These two, in my view, are the two most

1 significant ones. We also have, as we briefed you earlier,
2 quite a number of rule-makings going on in the reactor area
3 in the area of 40 plus: the rule-makings, the licensing
4 activities, and the inspections. We are looking at all
5 three areas.

6 CHAIRMAN SELIN: Basically, we have the
7 possibility both of standardizing the licenses against which
8 we are inspecting and at the same time more standardizing
9 the techniques for a given set of licenses.

10 Is it fair to speculate that if both were done
11 there was a synergistic effect? If we simplify both the
12 rules against which we are inspecting, because that is what
13 a license is -- I mean, it is generic; it is not specific -
14 - and the process by which we do the inspection?

15 MR. RUSSELL: I'm not sure we can claim that much
16 of a synergistic effect. There clearly is some, but when
17 you start looking at what we're doing by way of performance
18 based regulation and the kind of activities under the
19 maintenance rule, we don't have a lot, for example, in tech
20 specs related to maintenance rule type activities with the
21 exception of those few systems that have required
22 surveillances.

23 So there is an activity there where the
24 surveillance activity demonstrates the performance of the
25 system.

1 What I'm really talking about in the inspection
2 area is doing a better job of assessing licensee performance
3 and then directing inspection resources on a planned basis
4 to particular areas where performance is either identified
5 as being weak or where we have insufficient information to
6 judge what the performance is. That would be reduction of
7 duplication in areas.

8 CHAIRMAN SELIN: So, normally I wouldn't try to
9 press you for future performance because if it were under
10 our control, you would do the best you can and we'd see how
11 they come out, but since this is a cooperative and
12 interactive piece, if the licensees don't believe there is
13 something to be changed and improved, no matter what we
14 think, it is not going to happen, so there has to be
15 something more concrete; if you could lay your cards on the
16 table a little earlier to say, "Here is what we think can be
17 gained so that -- and we won't really know without the
18 cooperation of the licensees," which is exactly the kind of
19 thing, I think, you designed the regulatory conference to
20 address.

21 MR. RUSSELL: Well, I did it at the workshop,
22 identify. And I asked the audience to hold up their hands
23 because I wanted to find out whether I was talking to the
24 operators or I was talking to the licensing folks for each
25 of the utilities, and it was about 150 licensing types, and

1 commented that if half of you converted to the standard tech
2 specs, probably half of you wouldn't be needed in the room.

3 CHAIRMAN SELIN: That's a great seller.

4 [Laughter.]

5 MR. RUSSELL: That may have been the wrong
6 audience to put that type of information out, but we are
7 going to address those issues at the reg information
8 conference.

9 CHAIRMAN SELIN: Mr. Grimes?

10 MR. GRIMES: If I could just briefly give a status
11 in slide 16 on the status of the implementation of this
12 program.

13 [Slide.]

14 MR. GRIMES: Set as a conversion, as we issued
15 five amendments, five units. The number have changed.
16 Yesterday Vogel Units 1 and 2 submitted their application,
17 so the numbers are now 10 and 28 instead of 8 and 30 in
18 terms of things under review and additional units and
19 intending to convert.

20 As was stated during the regulatory review
21 commission meeting, we hope to complete nine units this
22 calendar year. Right now the rate of these coming in would
23 say we'd complete another nine in '96 based on the
24 understanding we have of the submittal date.

25 We are prepared, as Mr. Russell said, to handle

1 significantly more than that, and we hope that we will be
2 processing more as time goes on.

3 It take about a year at least for a submittal to
4 be prepared, so we don't expect anything immediate to
5 change, but by '96 we would hope to see a significant
6 increase in submittals.

7 CHAIRMAN SELIN: Is there any interaction between
8 license renewal and standard tech specs? In other words, if
9 a plant were planning to come in to extend its license,
10 would they be a much better position having gone to standard
11 tech specs to make the demonstrations?

12 MR. GRIMES: We eliminated that tie-in with the
13 proposed -- the final rule.

14 CHAIRMAN SELIN: I don't mean in a legalistic
15 sense. I just mean from the point of view of the workload.
16 Would it make a significant difference considering a plant's
17 application if they were on standard tech specs?

18 MR. RUSSELL: I think with a focus on the passive
19 systems that we have now, that there is not that significant
20 of a benefit.

21 Clearly, under the earlier proposal it would have
22 really made sense to do the conversion prior to, to reduce
23 the scope of things that could be potentially screened in as
24 requiring an aging review.

25 With the focus we have now in the rule on passive

1 components that are long lived, I think don't that there is
2 that much of an interaction.

3 [Slide.]

4 MR. GRIMES: Okay. Slide 17, let me just briefly
5 mention: in the interim while we are waiting for conversion
6 applications to come in, we are, in accordance with
7 Commission policy statement, processing line item
8 improvements. Those are pieces of the specifications where
9 we can give standard guidance to the staff and to the
10 industry viewed through generic letter for things which we
11 think are particularly safety significant for internal
12 guidance for less significant things where we get a number
13 of like applications in to improve efficiencies.

14 COMMISSIONER ROGERS: I didn't really understand
15 what you were saying in the slide.

16 MR. GRIMES: Okay.

17 COMMISSIONER ROGERS: I mean, I understand line
18 item improvements, but the bullet left me with some real
19 questions.

20 MR. GRIMES: Here was a caveat on line item
21 improvements that if you come in with a particular line item
22 improvement we expect all relevant aspects to that
23 specification. In other words, improvement of the bases,
24 making sure the form of the limiting conditions are similar
25 to those in the standard tech specs. One can't just change

1 the value in the existing specifications. We really expect
2 a global adoption of that part of the standard tech
3 specification rather than just a number change in a current
4 specification.

5 MR. ZIMMERMAN: You've got to take the good with
6 the bad and you need to look not just at the individual
7 item, but the context.

8 COMMISSIONER ROGERS: The context.

9 MR. ZIMMERMAN: The context with the other aspects
10 of that particular plant's tech specs to see if it relates
11 somewhere else and if there are ties somewhere else, then it
12 can continue to spread. So it can't just be looked at in
13 isolation for us to approve.

14 COMMISSIONER ROGERS: I think you ought to restate
15 that somehow. I mean, one could read this -- and I
16 wondered just what you were saying -- because one could read
17 this that it says, you know, if you are going to get a line
18 item improvement out of us, we are going to expect you to
19 expect something else some place else. You know?

20 And that isn't what you are saying.

21 MR. ZIMMERMAN: No.

22 COMMISSIONER ROGERS: I mean, it is sort of like,
23 well, we will give you this if you do something else in
24 addition because it isn't really clear what "improved bases"
25 and "adopted conforming limiting conditions for operations"

1 along with "relaxation."

2 MR. ZIMMERMAN: We should have been more specific.

3 COMMISSIONER ROGERS: It kind of looks like a
4 trade-off, and that isn't what you are saying.

5 MR. ZIMMERMAN: It is case-by-case specific.

6 COMMISSIONER ROGERS: You are saying that, you
7 know, you just can't zero in on one little aspect of
8 something and say we want to change that.

9 I think it would pay to make sure that -- I don't
10 know where this little paragraph came from, but if in the
11 future you have to explain what you are talking about, it
12 would seem to me that it could be clearer, that there could
13 be a misconception of what it is you are saying here.

14 MR. GRIMES: I agree. We will fix that for the
15 slides we are going to use for the reg information
16 conference.

17 COMMISSIONER ROGERS: Yes.

18 MR. GRIMES: If I could change topics now and
19 discuss a little bit about the license amendment process
20 again which Steve went over.

21 I guess the first thing I want to say is, as Steve
22 demonstrated, the process is not broken. It is working
23 reasonably well, but based on our experience with the
24 standard tech spec conversions and also based on a pilot
25 improvement study we did last year, it became evident that

1 there were a number of areas where we might gain
2 efficiencies in the process, in the current process.

3 And so in December we decided to initiate a
4 systematic look at our process and asked the contractor to
5 assist us. We are now about halfway in our study, and I
6 will just give you some preliminary results.

7 The main objectives are given on Slide 18 of the
8 effort.

9 [Slide.]

10 MR. GRIMES: We want to be able to identify
11 generic applicabilities to gain efficiencies. We want to
12 maintain, of course, the technical quality of our review and
13 of licensee submittals and encourage consistency in
14 amendments and reduce processing time and staff effort in
15 processing.

16 [Slide.]

17 MR. GRIMES: As far as the improvements are
18 given -- potential improvements are given on slide 19, we
19 developed these in the early phase of the study by conducting
20 interviews of the staff to identify their ideas of where the
21 improvements and where the problems were in the process and
22 then we took these approaches and tried to systematically
23 evaluate how they might achieve our objectives of reducing
24 processing time and improving quality and what impacts they
25 might have on various parameters, trying to do a systematic

1 look at that and then these are the most promising
2 improvements that came out of the effort to date.

3 Right now on project manager work planning, there
4 is a limited amount of preplanning done by project managers
5 and it is variable among the project managers. We think we
6 can, by providing some guidance there, we can improve the
7 front end process and shorten the later phases because of
8 the front end planning.

9 Precedent database development, some branches now
10 have their informal databases or files on what they have
11 done before but we think we can usefully cross-index these
12 things and we have word-searchable capabilities now for more
13 recent safety evaluations and if we have those grouped in
14 some general ways by standard tech spec sections or standard
15 review plan sections, we can make it much easier to hone in
16 on what has been done before very quickly.

17 We also are undertaking to certify particular
18 safety evaluations as good models and we have done that
19 recently with the turbine overspeed protection, relocation
20 out of technical specifications to licensee-controlled
21 document for the Nine Mile Point case and that safety
22 evaluation has been distributed to the technical staff and
23 project managers and that will now become the model for the
24 scope and content of safety evaluations for that issue.

25 We are also going to formalize our NRR-wide

1 amendment processing guidance and I think these precedent
2 things like the Nine Mile Point thing can be usefully given
3 to the industry in an administrative letter or the industry
4 can be made aware of what we think good models are.

5 MR. RUSSELL: Brian?

6 MR. GRIMES: Yes.

7 MR. RUSSELL: One comment, just in this area. We
8 are shifting a little bit from the line item improvement
9 process which is one where we go out with the generic
10 letter, the draft generic letter and all of the activities
11 associated with supporting that. These are generally less
12 safety-significant changes but we are giving them the same
13 level of detailed internal review and we are flagging them
14 when they go up for OGC review to make sure that the scope
15 of the review that we are doing is appropriate to support
16 this as a potentially generic activity. Then we are looking
17 at what vehicles we would use to advertise this to the
18 industry so that they would become aware of it, even though
19 it has not been issued by a generic letter and is not a line
20 item improvement.

21 Each of these where we see a potential improvement
22 of this type would also be factored back into the improved
23 standard tech specs so that the reliefs that we are granting
24 would be kept up-to-date and current. So it could be that
25 for a plant that is converted to the improved standard tech

1 specs, as we get more experience and we see that there are
2 other things which could be removed from those, that we
3 would have a process to inform them as to what those changes
4 are so that they wish to make those changes, also that could
5 be done.

6 MR. GRIMES: If I could have slide 20, just to
7 wrap up this area.

8 [Slide.]

9 MR. GRIMES: We also identified some things that
10 licensees could do on a voluntary basis and many of these
11 were mentioned by Steve as expediting our current efforts
12 when things come in that are complete and identify
13 precedents it is much easier to process the amendment. And
14 also to identify a relative priority of the submittals where
15 it -- how important this is to the licensee.

16 The last bullet refers to work we have ongoing.
17 Calvert Cliffs is active in this area with the project staff
18 and trying to develop some protocols for electronic exchange
19 of information to make things come more directly into our
20 processes, into our files and make it more quickly
21 accessible, not having to go through the process of the
22 mails and the distribution system.

23 COMMISSIONER ROGERS: Just where does that stand?
24 Roughly, what is the approach that is being taken?

25 MR. GRIMES: Mister -- I have forgotten the

1 fellow's name --

2 MR. VARGA: Williamson?

3 MR. GRIMES: No.

4 MR. VARGA: From Calvert Cliffs?

5 MR. GRIMES: Yes. I forgot. I left my --

6 Mr. Hoxie is working on this and what -- I believe we are at
7 the point of discussing with them what the right form is. I
8 think we have a lot yet to do in terms of deciding on
9 signatures and how we will certify that this is indeed a
10 submittal, that sort of thing. But I think the general idea
11 is accepted, how you implement it, and it ties in also
12 somewhat to progress that IRM is making on the replacement
13 for NUDOCs and this all has to be integrated there.

14 COMMISSIONER ROGERS: Are there any legal
15 questions involved in that electronic transfer of --

16 MS. CYR: Yes, there significant leading questions
17 associated with the signatures, electronic signatures.
18 There are ongoing efforts governmentwide to develop a
19 governmentwide protocol for how you identify and accept an
20 electronic signature and we are trying to sort of keep in
21 touch in moving along with those.

22 Right now you can do somewhat -- for instance,
23 what the IRS does where you can send electronically but then
24 you also have to send in a paper document that has the
25 signature in it. I mean, there are some options like that

1 we might pursue, but to actually have only electronic, there
2 are still a lot of things to be worked out from a legal
3 sense of how you verify that. So that is what we are
4 trying --

5 COMMISSIONER ROGERS: Are your offices working
6 closely together on this?

7 MS. CYR: Yes. Yes.

8 COMMISSIONER DE PLANQUE: This is something that
9 is done fairly extensively in the private sector, isn't it?
10 Is there some special problem with the government
11 involvement?

12 MS. CYR: Well, I mean a lot of our stuff has to
13 be submitted under oath and affirmation and so you have to
14 make sure who submits what and that you verify whose
15 signature it is and so on. But you are right, like in terms
16 of bank card situations like that, like with PINs and so on.
17 But they are trying to develop a governmentwide protocol on
18 how this is to be done and the Archives and others are
19 working on this, trying to set standards for this and we are
20 working with those people.

21 MR. GRIMES: Except for the electronic information
22 exchange, we hope to have our other study results by June
23 and have most of the improvements in place by the end of the
24 calendar year but as you noted before, Mr. Chairman, the
25 real improvements can come from the reduction of the

1 absolute number of things coming in and that -- but we think
2 there are, in the next few years, a number of efficiencies
3 that can be made in this area also.

4 The last topic I want to treat is a generic issue:
5 management. It is a larger and somewhat less tractable
6 problem than the license amendment process which really
7 seems to be working reasonably well to start with. Again,
8 we are using some contractor assistance in this area to
9 benchmark our current processes and develop alternatives.

10 [Slide.]

11 MR. GRIMES: Slide 21 is the statement of the
12 problem and our proposed solution. I should also say that
13 we also had a person from IRM detailed for three months to
14 help us with this process and make sure our electronic
15 applications that we are coming up with are well integrated
16 into IRM's plans. The problem is that there are a lot of
17 different sources of potentially generic issues that come
18 into NRR and in the past we have done a reasonable job on
19 events, evaluation and screening. But the other areas are
20 somewhat variable and things which are high safety
21 significance get treated but other things may not get
22 flagged or processed efficiently.

23 Our solution is to try to create a single process
24 and Mr. Russell has assigned my organization to be a single
25 organization responsible for making sure that the screening

1 and documentation gets accomplished.

2 [Slide.]

3 MR. GRIMES: Slide 22 lists the incoming sources
4 of information, event notifications come in, 5072 forms,
5 licensee event reports, the initial look there is done by
6 AEOD, not NRR but the other items, foreign information, also
7 AEOD has an input on. The other things are various sources
8 of information which are now trying to collect and treat in
9 a common way with common screening and common priorities for
10 solutions to these.

11 MR. RUSSELL: Let me interrupt for just a minute
12 because this is an area that we have not handled as well as
13 we should have in the past. We ended up with a bunch of
14 silos as to how we handle information. 10 CFR Part 21
15 reports which were generic, which relate to vendor
16 activities, would be handled by one organization, licensee
17 event reports would be handled by another. We generally
18 assigned them to the technical staff but had cognizance in
19 the area to manage the activity and the technical staff
20 would be diverted off to the next fire drill that came in
21 and there really was not a consistent project management
22 function.

23 So the function we have in the projects area of
24 project manager who is managing activities on a particular
25 docket, whether they be licensee requests or our requests,

1 provides a healthy tension back and forth with the technical
2 staff. We are shifting to provide that management focus to
3 have a management function for generic activities, to review
4 them, screen them, catalogue them, if we conclude that it is
5 not safety-significant, to write that down and have that be
6 in some kind of a retrievable database so the next time the
7 issue comes up you can refer to it and say, that's already
8 been looked at; we don't need to address it further. Or, if
9 it is something new, to decide how to address it. Many of
10 these things come up each year.

11 The Agency has a process for handling these.
12 Generally, they have been handled by Research, associated
13 with Generic Activities. Most of what NRR gets in are
14 questions about whether a particular issue does or does not
15 comply with some requirements that we already have in place.
16 It is not generally associated with an enhancement to
17 regulations.

18 Should we come into an issue like that, we will
19 transfer it to Research. If it is going to be something
20 that takes a long time to study, make a determination as to
21 whether it is a cost-beneficial enhancement to the
22 regulations under our backfit rules, things like that. The
23 kinds of things that we are talking about that are short
24 term that are clearly compliance where you have got material
25 that is nonconforming or other issues like that, we are

1 going to handle and handle in the short term.

2 We need to collect that, put it into a process,
3 make it publicly available and identify what the rationale
4 is for each one. So depending upon level of resources that
5 it takes to resolve the issue, how much management focus you
6 want to have, we've got a graded approach for handling those
7 that we will talk about. But this is an area that we were
8 not handling as well as we should.

9 Significant issues were generally handled on an ad
10 hoc basis and you can do that if you are managing 10, 15,
11 20, something like that and keep them in the back of your
12 mind.

13 When you get to the point where you have hundreds
14 to deal with, you've got to have a systematic process for
15 handling them and you've got to have an advocate for that
16 process and that is the project manager or the project
17 engineer that is responsible for that particular activity
18 and that is what we are shifting to. So it is a parallel
19 concept to what we are doing in the operating reactor
20 project management function for generic issues. We are just
21 getting started on this, we have just put the framework in
22 place and right now it is a brute force effort to get a
23 handle on where we are going.

24 We are looking at improving the processes; that's
25 why we have a contractor assisting us, facilitating and et

1 cetera. But this is an area that is going to take some
2 significant focus and it is a significant amount of our
3 resources to go into generic issues that really need to be
4 managed well, tracked and then at periodic points decide
5 whether continued effort is needed, whether you now know
6 enough about the program to say, stop, we are not going to
7 go any further, et cetera. But it is probably on the order
8 of 60 to 70 full-time equivalent staff positions per year
9 that are going into generic activities that were not being
10 managed as well as they could.

11 COMMISSIONER ROGERS: Do you expect that this
12 approach will increase the number of people or decrease the
13 number of people involved in this kind of thing?

14 MR. RUSSELL: In the short term, it will likely
15 increase.

16 COMMISSIONER ROGERS: Yes, of course.

17 MR. RUSSELL: As we get a reasonable database of
18 issues that we have looked at, given that we have a rather
19 large source of information coming in, as we screen them, as
20 we conclude the issues are not significant and we develop
21 that database, I am expecting that we are duplicating and
22 re-looking at a lot of issues that we have probably looked
23 at in the past.

24 In that context, it should go down with time.

25 COMMISSIONER DE PLANQUE: Talking about silos,

1 between the NRR silo and the research silo, is the only
2 communication going to be your handing over of issues that
3 need further study or can there be more gained from better
4 coordination here?

5 MR. RUSSELL: We're going to talk about that.
6 What I was really focusing on are some of the issues which
7 are longer term.

8 When we get into an issue -- if we know up front
9 that it is going to take us more than a year to come up with
10 a proposed resolution of an issue or it is going to have
11 substantial requirements for our regulatory analysis, the
12 Office of Research is better suited to handle those kinds of
13 issues and there is a lot that they do directly in support
14 of these kinds of issues and I send user requests to the
15 Office of Research frequently.

16 COMMISSIONER DE PLANQUE: But is there potential
17 for the flow to go in the other direction and also be
18 helpful?

19 MR. RUSSELL: Yes. We do have frequent management
20 interactions with planned agendas to discuss issues, where
21 we stand on the issues, and we are looking at what is the
22 best way to handle a number of things like that.

23 COMMISSIONER DE PLANQUE: So we are not really
24 looking at any duplication here?

25 MR. RUSSELL: No. We are not looking -- this

1 activity is intended not to duplicate but to complement what
2 is going on and we will provide input to the agency control
3 system which is documented in NUREG 0933 with a database and
4 as we resolve issues that are short-term compliance issues
5 or as we look at an issue and conclude it no longer requires
6 resources, that it is either low safety significance or it
7 is not safety significant at all, can be dropped, those
8 conclusions will be documented and input into that research
9 database.

10 MR. ZIMMERMAN: The next slide that we discuss
11 talks some more about the role of research in a more real-
12 time basis.

13 CHAIRMAN SELIN: I am a little concerned about
14 where the industry is in all of this. It sounds like we are
15 trying to do a lot of their job for them, which is to
16 indicate what generic improvements would be useful. So I
17 mean there are actually two things I am concerned about.
18 One is having some more initiatives from the industry, these
19 are such terrific ideas why aren't they more active in
20 kicking them off.

21 Then the second is a vehicle, you alluded to it,
22 Mr. Russell, we can't pass a rule that is a mandatory rule
23 if it doesn't -- if it is not required for health and
24 safety. So there is a vehicle.

25 What if "the industry" were in favor of a rule but

1 there is not a health and safety basis? We have a 2206
2 vehicle. Do we have other vehicles for rules to be proposed
3 that would become mandatory rules that would simplify life
4 so it is both a substantive question but why isn't there
5 more initiative from industry to get such --

6 MR. TAYLOR: Well, INPO has quite an extensive
7 review process of events for generic type lessons. Our
8 focus is usually from a safety end and where is there a gap,
9 isn't there a gap, is this touched on, is there a reasonable
10 way that this is being handled across the board. That is
11 usually the way it comes in.

12 INPO does a lot of sharing of generic information
13 from their own screening of particularly events --

14 CHAIRMAN SELIN: Does this include their coming in
15 and saying we think there is a more efficient way to handle
16 an issue, a change in our rules?

17 MR. RUSSELL: We have some processes that we use.
18 We have a periodic meeting where we discuss potential
19 generic issues. In fact, the industry has in the past met
20 periodically with the Commission to identify what their
21 priorities are for certain issues so that these sources can
22 be used to focus on them. That has been done with NEI.

23 The other issue that we are seeing much more
24 benefit from recently, and that is much more interaction at
25 a more senior management level with owners groups to make

1 sure there is an understanding of what are the potential
2 generic issues such that industry can develop the
3 information to put in context whether it is a safety issue
4 or is not a safety issue. We want to get to the point where
5 we can start communicating these and, as I indicated in the
6 previous meeting, we are getting status at the office
7 director level on rulemakings. I am also getting status
8 monthly on the big items that are generic and right now we
9 are tracking about 22 and we will talk about this in a
10 minute.

11 But we need to find a vehicle for sharing what
12 those 22 generic issues are that we are working on so that
13 we can get industry input on them early and this is a
14 communication issue. But right now I am focusing on trying
15 to get a well defined set and understand what they are
16 within NRR so --

17 CHAIRMAN SELIN: I am concerned about the other 22
18 issues, the ones that ought to be coming from industry to
19 get our response to. You know, they are the people who
20 would be most directly affected if these are so beneficial.
21 I would hope they would be a little more active.

22 MR. RUSSELL: Some of these don't fall necessarily
23 in the beneficial category. Many of these fall into the
24 category as operating experience has shown us they are a
25 problem. Many of them are resolved with information --

1 CHAIRMAN SELIN: But we know how to handle those
2 or at least we have had a lot of experience with those.
3 What is new is to try to identify generic places for
4 streamlining or simplification or reallocating resources
5 where there is a higher payoff. I shouldn't say we know how
6 to handle -- we have a lot of experience with seeing a
7 problem and trying to get their attention. We have
8 discussed at some length the shortfalls of the current
9 process.

10 MR. RUSSELL: This generic activity screening is
11 basically in the safety operating experience evaluation
12 area, not in the simplification regulatory relief or reform.
13 We have other things we are doing in those areas and we are
14 encouraging the industry to come in and propose either
15 through topical reports or through owners groups generic
16 activities which would be improvements and we are seeing
17 that. Whether it is a lead plant coming in as a lead plant
18 for a line item improvement or it is a lead plant for a
19 precedent amendment request, what we are talking about now
20 is the feedback of safety information from operating
21 experience that indicates something may not be as we thought
22 it was.

23 Motor-operated valves came through this process.
24 Some of them we were slow to respond to, such as the Thermo-
25 Lag issues. I think we are getting a little better at

1 identifying those. We have recently informed the Commission
2 on what we are doing on circumferential cracking, that stuff
3 that comes in through this process with the recent
4 supplement to the generic letter on circumferential
5 cracking.

6 So that is the type of thing we are dealing with
7 here. Generally, safety issues that we want to get industry
8 feedback on and some of those we are now encouraging
9 industry response. Circumferential cracking is clearly in
10 that context. We have asked the industry to coordinate
11 their responses and reply.

12 MR. TAYLOR: Again, INPO has looked at numbers of
13 areas that -- of generic lessons learned and things like
14 controlling outages and sharing a lot of information that is
15 of a benefit to the functional cost of running. They have
16 done -- you know, they have picked specific areas where
17 people have been having problems which may not be specific
18 safety problems but just functioning problems.

19 You know, that's one of the benefits of their
20 process. I only add that because you were driving to things
21 of improvement and better performance from the industry
22 side. There are numbers of examples where INPO is proactive
23 in that area.

24 MR. RUSSELL: This is more the assessment of our
25 monitoring of safety performance rather than looking for

1 areas of --

2 MR. TAYLOR: Functional benefit.

3 MR. RUSSELL: -- functional benefit.

4 MR. ZIMMERMAN: It can tend to increase the number
5 of licensing activities that will fall out from this
6 process.

7 CHAIRMAN SELIN: In effect you are saying that my
8 view's a little too sanguine. We haven't been as good at
9 this in the past as --

10 MR. RUSSELL: That's correct but there may have
11 been some things that have gone through that we were slow to
12 identify, that we could have been a little more proactive
13 and identified earlier, and done a little bit better job in
14 managing our activities. That is really what I am talking
15 about.

16 We have, as you will see on the next slide in
17 essentially every employee that's associated with a reactor
18 program a performance objective that they identify
19 potentially safety significant issues, and as you saw on the
20 last slide, we get a lot of input in from various sources.

21 It comes in from employees, from the regions,
22 through many sources.

23 Those need to be managed, reviewed, screened
24 prioritized and we ought to say why it is or why it isn't an
25 issue to be addressed, and we have not done as well in

1 managing that as we could.

2 MR. ZIMMERMAN: The criteria that the people
3 looking at Part 21's views should resemble the criteria that
4 is being used by the people looking at allegations and so
5 forth -- the same criteria has not be applied throughout.
6 That's the silo aspect that Bill was addressing.

7 [Slide.]

8 MR. GRIMES: There are two aspects of managing
9 this. One, as Bill mentioned, is making sure we don't miss
10 safety issues, but the other is making sure the Staff does
11 not work on things that are not significant safety issues,
12 and when things come in from all directions people tend to
13 work on what arrives on their desk and Slide 23 indicates
14 the screening process where you are trying to place here to
15 make a more consistent call on whether the Staff should
16 indeed be working on things.

17 We have one branch that screens all the source
18 data and perhaps there are several thousand items that come
19 into that branch. Several hundred of those will be selected
20 by that branch to be referred to a panel. In the past this
21 has been an events review panel. Now it is being expanded
22 into more of an issues panel and it has included AEOD. We
23 have recently added a research representative also, so there
24 is an integration there on the Staff level of screening this
25 information to make sure we make consistent calls throughout

1 the agency.

2 The things that are screened by the branches, some
3 of them are closed out formally and documented. Many of
4 them are just based, are just put into databases so that in
5 the future if something similar comes up and somebody does a
6 search back through history they will pick up a pattern of
7 things having happened in the past, so we are not closing
8 out in detail every item, but we are not losing any items
9 and we are picking out the more significant ones for a more
10 thorough, systematic screening.

11 We have a very large database now of tech
12 searchable databases that we can use for this purpose.

13 We are continuing to increase those, the Part 21
14 are now going into that database. Also some of the
15 inspection reports are already in that database, so we are
16 building that aspect.

17 MR. RUSSELL: This is one area that at least in
18 the information technology area could probably be looked at
19 from an agency perspective. We are using a number of
20 different software systems for tech searchable databases and
21 to the extent we have a proliferation of different system,
22 it gets to be very difficult to standardize and I think we
23 had a real coup when we standardized on WordPerfect, but
24 different groups are using different approaches and in
25 inspection activity we are using one, and I won't mention

1 the particular trade name, but different places are using
2 different approaches and this is starting to create some
3 interference and duplication so this might be an area that
4 it would be appropriate to look into to standardize --
5 either that or find some kind of file translator that will
6 shift the databases around so you can manipulate them with
7 different sources without having to reload the hard data in
8 the first place.

9 [Slide.]

10 MR. GRIMES: Okay. Slide 24 -- when the panel
11 considers these activities they try to use the same
12 prioritization scheme as Steve described, the 1 through 4
13 for safety significance and generally only Priority 1 or 2
14 will normally go through for a special review by the
15 technical staff, so we are trying to screen down to the very
16 most safety significant items to be treated in detail by the
17 technical staff and we are then project managing those out
18 of my organization to make sure that there is a tracking,
19 that we can get management reports of what is being done,
20 that we know what is being worked on in these areas.

21 MR. ZIMMERMAN: Excuse me, Brian?

22 MR. GRIMES: Yes.

23 MR. ZIMMERMAN: In the interests of time you may
24 want to just stay at a little higher level as we go through
25 the remainder of the slides. That's not intended to cut you

1 off entirely.

2 MR. GRIMES: No, I'm just recalibrating.

3 The panel is chaired by a branch chief with senior
4 technical staff.

5 [Slide.]

6 MR. GRIMES: Slide 25 -- as Bill mentioned, we
7 want to make sure we attract these -- the work that's being
8 done. We have action plans, 22 action plans currently, that
9 are for compliance issues that NRR is handling.

10 As Bill mentioned, if we identify enhancement type
11 things, things which don't fall under adequate protection or
12 compliance, and require backfit analysis, we refer those to
13 Research.

14 Between bullets one and two, about 40 percent of
15 our generic issues effort is spent on things that are in the
16 larger action plans and about 60 percent is in these other
17 wide variety of items.

18 [Slide.]

19 MR. GRIMES: Slide 26 -- we now have in the Office
20 of Research a very complete status of things that have been
21 referred for prioritization and cost benefit analysis in
22 NUREG-0933, which is now in electronic form and available
23 also.

24 We want to link our resolution to that in some way
25 and have a similar database so that anyone can go in and

1 find out where we are on particular generic issues for
2 completed action plans and also the other completed tasks,
3 although there we may not put all the information in one
4 place. We may have a reference to another document which
5 would close out a more minor issue.

6 [Slide.]

7 MR. GRIMES: Slide 27 just indicates there are two
8 office letters that have been issued for interim use and
9 over this calendar year we will be perfecting those and
10 trying to use more electronic efficiencies there.

11 [Slide.]

12 MR. GRIMES: Slide 28 just gives the areas where
13 we plan to improve and we are also -- we have a tracking
14 system called WISP at the present time which does a good job
15 of capturing information but is not very friendly in terms
16 of use, in terms of analysis and things like that.

17 We will have to look at current technology and see
18 if over the next couple of years we think the platform for
19 that information needs to be changed or not.

20 We hope to complete most of these improvements by
21 the end of this calendar year.

22 [Slide.]

23 MR. GRIMES: Slide 29 is just an indication that
24 we have 22 active action plans. We are now project managing
25 about 100 tasks for lesser generic issues. There's still a

1 backlog of things that people are working on that we must go
2 back and flush out and evaluate as to whether people should
3 be spending an effort on them or not, so that is an ongoing
4 effort.

5 We plan also to combine our tracking systems for
6 this area with our tracking of our monthly reports on
7 rulemaking activities that NRR is involved in, so we can
8 have an integrated look at what is going on here.

9 MR. ZIMMERMAN: The last item that Brian mentioned
10 I think is by far the more challenging of the items that we
11 discussed here.

12 In the license amendment area we see the
13 redundancy in areas that we can gain some efficiencies. We
14 started with a good base and on the potential generic safety
15 issues, that's where a lot of our time and attention is
16 going, to build that up and make that into a very consistent
17 and efficient process.

18 COMMISSIONER ROGERS: I don't have anything more,
19 other than to say that it looks like you really have a quite
20 comprehensive approach here. It would be interesting to see
21 what the human resources question is that is, that is
22 directed into this, and how that might affect the future FTE
23 needs and so on.

24 We know we have to meet these shrinkage
25 requirements that are coming down and I think that this is a

1 very important kind of activity but it would be interesting
2 to see just how you expect it to take place and what it
3 might lead to, perhaps even in the way of some economies in
4 the future.

5 MR. RUSSELL: I certainly agree. In fact, I have
6 made commitments to Jim that in the short term some of the
7 resources that are now available as a result of the CANDU
8 review not proceeding and some of the others are being used
9 for this type of regulatory improvement, because in the
10 short term it is going to cost resources to get a handle on
11 the scope of the problem, to get it into a system that is
12 working.

13 I believe that in the longer term once we have
14 this system up and working that we will eliminate
15 duplication of review and we'll be able to document better,
16 more quickly what the basis is for taking action or not
17 taking action and use a safety significance screen in
18 deciding what we work on, so that in the long run I think
19 better management of this will result in fewer resources.

20 Right now we do an awful lot of reactive types of
21 activity and when they are pointed out by third parties that
22 we haven't done such a good job in managing issues and we
23 don't have a track record to point out how we handled it and
24 what our rationale was we spend more resources in the long
25 term than we would have if we had managed it well in the

1 first instance -- so that is really where I am putting the
2 emphasis in the short term within the office as it relates
3 to regulatory improvement.

4 CHAIRMAN SELIN: Commissioner?

5 COMMISSIONER DE PLANQUE: I have nothing further.
6 It has been very informative. Thank you.

7 CHAIRMAN SELIN: This is very, very good. It's,
8 you know, a good solid record, demonstrable, a little
9 theory, a lot of practice that it's a nice complement to
10 some of the other, more innovative projects. Blocking and
11 tackling is necessary also, not only people at the speed
12 positions and the other presentations, so that's very
13 encouraging and clearly a number of steps in the right
14 direction.

15 Thank you very much.

16 [Whereupon, at 3:38 p.m., the above-entitled
17 meeting was concluded.]

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CERTIFICATE

This is to certify that the attached description of a meeting of the U.S. Nuclear Regulatory Commission entitled:

TITLE OF MEETING: BRIEFING ON NRR LICENSING ACTIONS
PROGRAM - PUBLIC MEETING

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Wednesday, May 3, 1995

was held as herein appears, is a true and accurate record of the meeting, and that this is the original transcript thereof taken stenographically by me, thereafter reduced to typewriting by me or under the direction of the court reporting company

Transcriber: Christopher Cutchall

Reporter: Mark Mahoney



LICENSING ACTIONS PROGRAM

May 3, 1995

Office of Nuclear Reactor Regulation

LICENSING ACTIONS PROGRAM

- 1. Licensing Actions and Licensing Activities**
- 2. Technical Specification Improvements Program**
- 3. License Amendment Improvement Process**
- 4. Management of Generic Issues**

LICENSING INVENTORY

ACTION - task associated with applications which require NRC approval before implementation by the licensee.

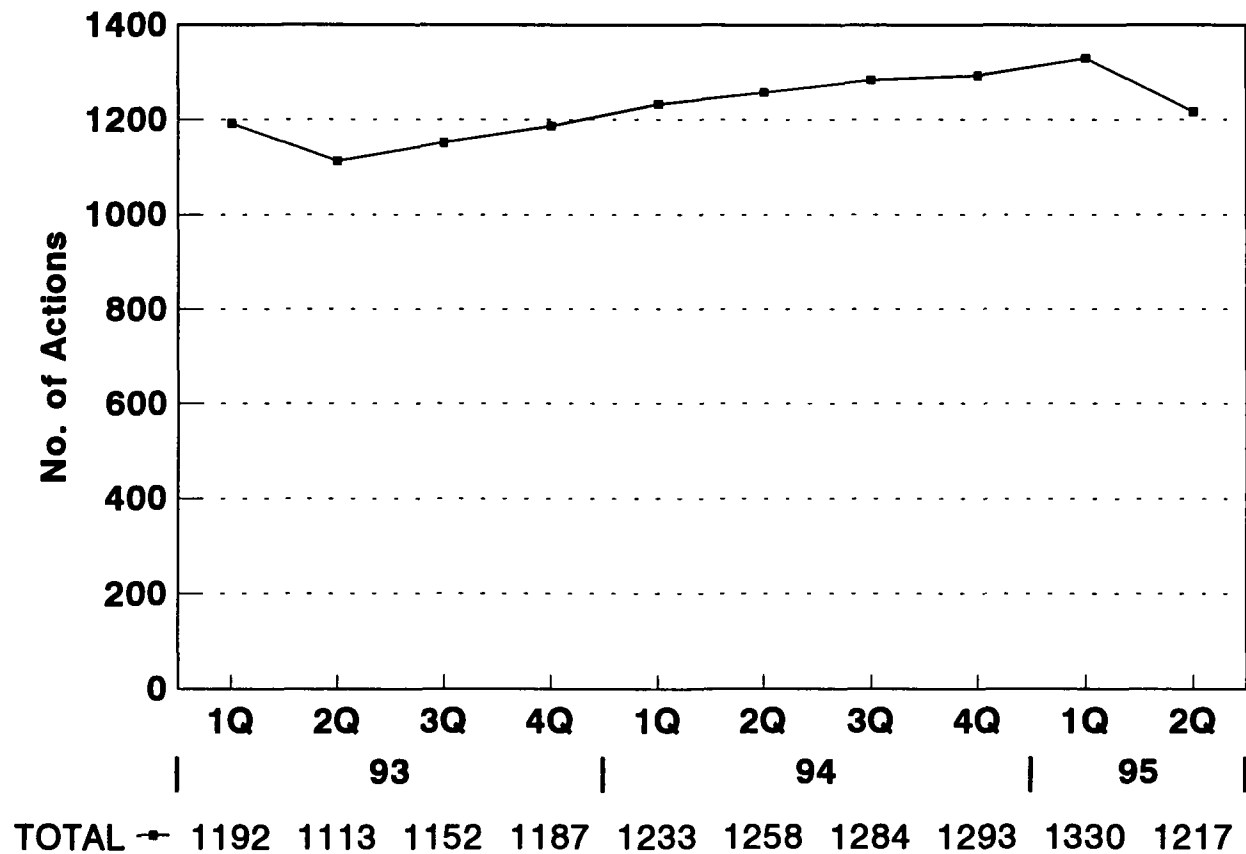
Examples: License/TS changes; Exemptions; Reliefs; Orders; License Extensions.

ACTIVITY - task associated with applications which do not require NRC approval before implementation by the licensee.

Examples: Multi-Plant reviews; 2.206 Petitions; and Assistance to Regions.

LICENSING ACTION INVENTORY

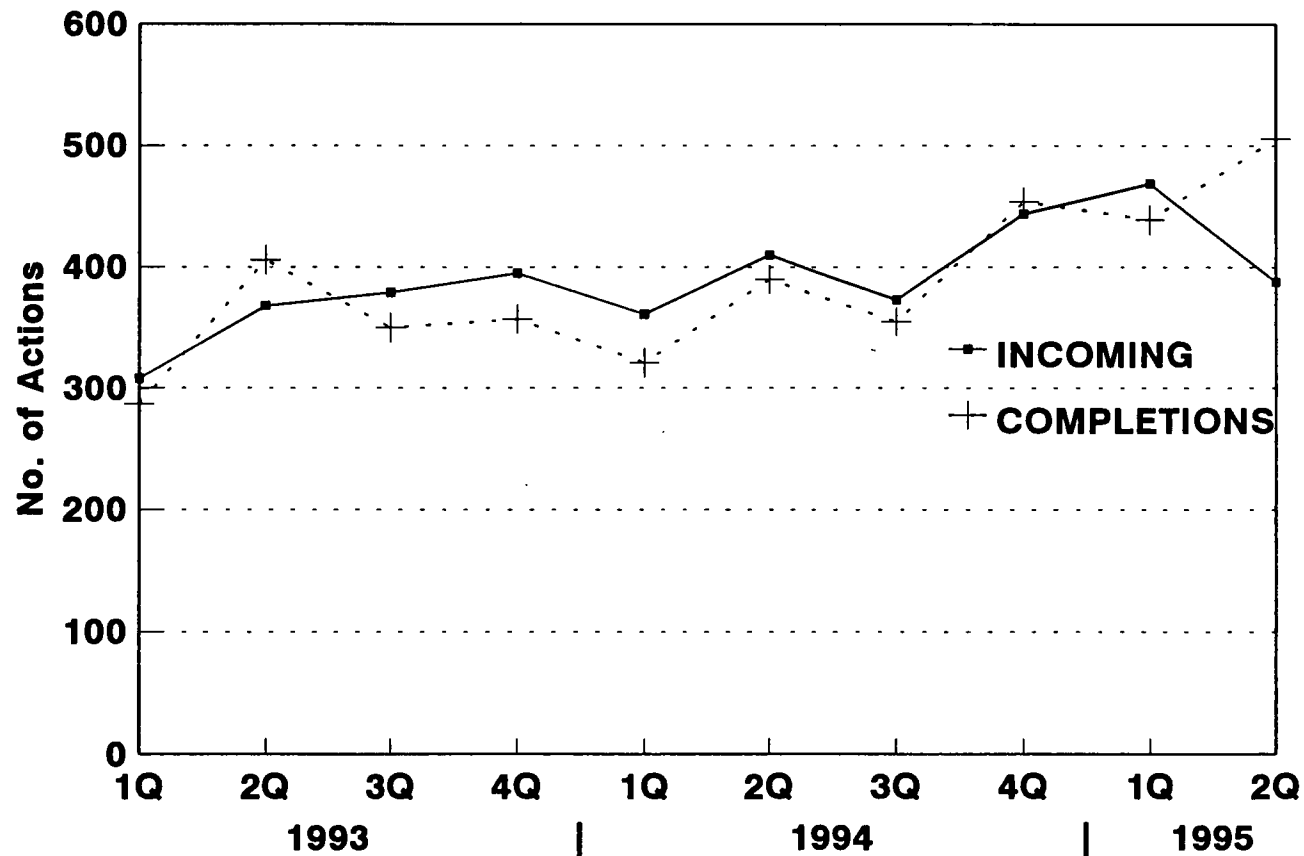
(by Fiscal Year)



LICENSING ACTION INVENTORY

INCOMING VS COMPLETIONS

(by Fiscal Year)



OPEN LICENSING ACTIONS

PRIORITY	AGE (MONTHS)				TOTAL
	<=12	>12 - 24	>24 - 36	>36	
1	19	2	3	0	24
2	227	50	22	3	302
3	587	179	88	9	863
4	18	5	5	0	28
TOTAL	851	236	118	12	1217

Data as of 4/18/95

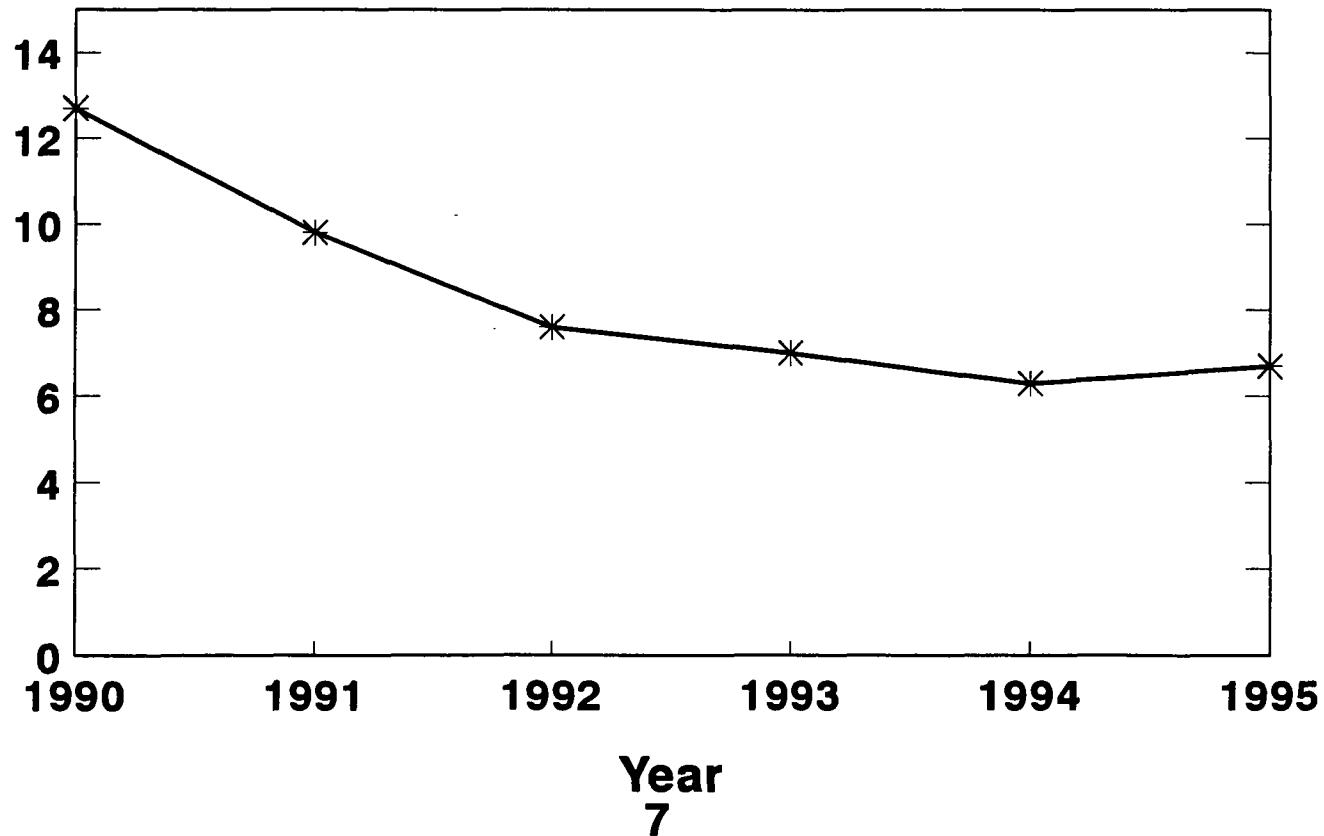
FY 94 COMPLETED LICENSING ACTIONS

PRIORITY	MEDIAN AGE (MONTHS)	TOTAL
1	1.4	123
2	5.7	523
3	6.9	817
4	11.5	57
ALL	5.9	1520

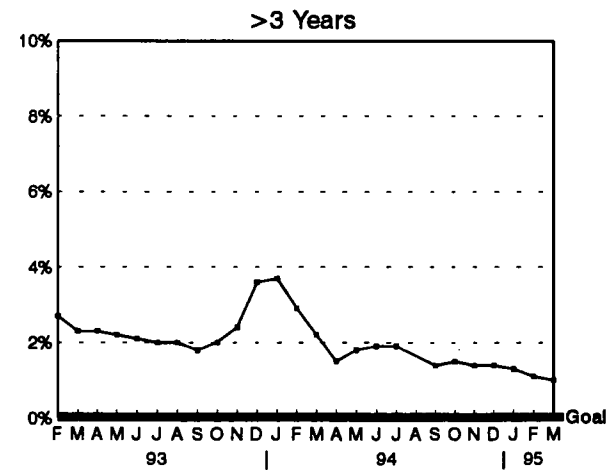
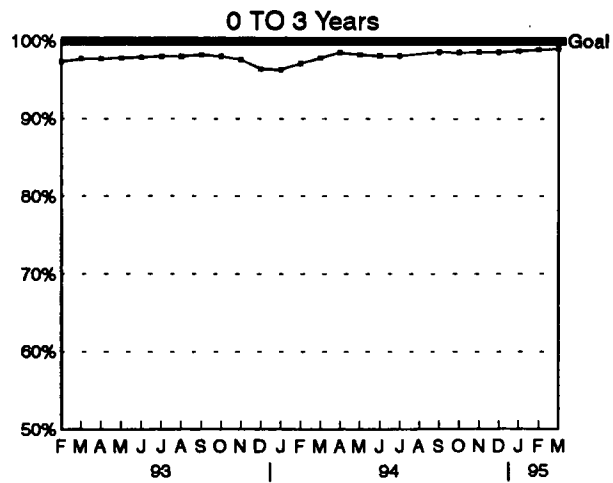
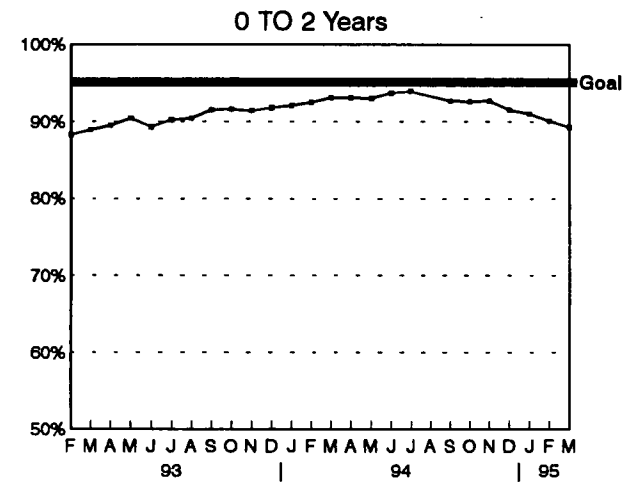
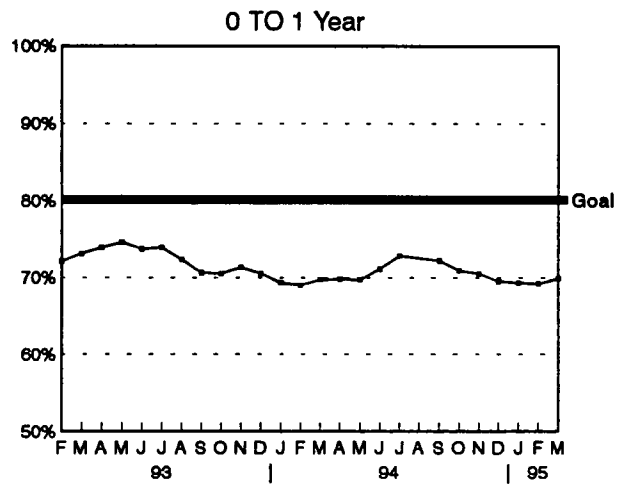
MEDIAN AGE OF OPEN LICENSING ACTIONS

(by Fiscal Year)

Median Age (months)

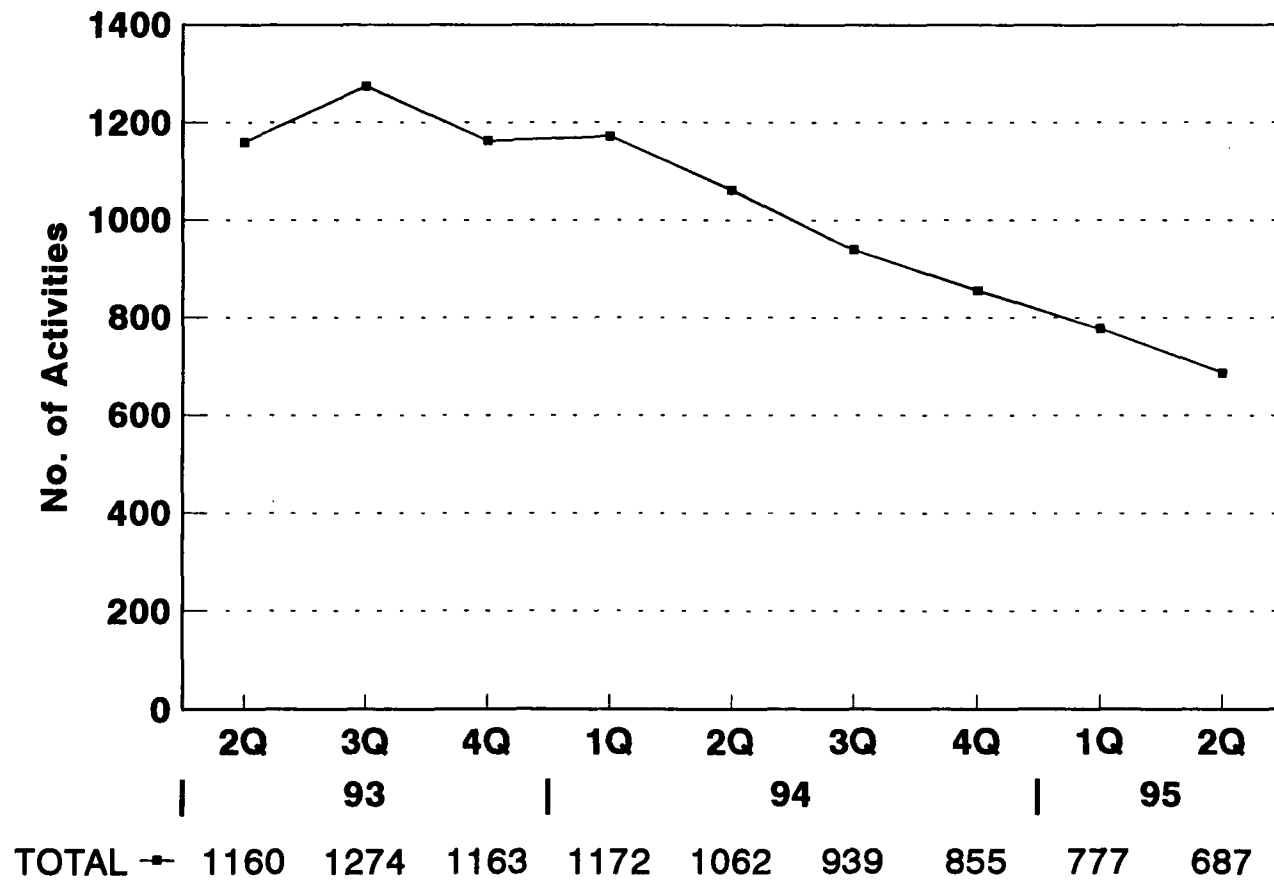


LICENSING ACTION AGE GOALS



LICENSING ACTIVITY INVENTORY

(by Fiscal Year)



OPEN LICENSING ACTIVITIES

PRIORITY	AGE (MONTHS)				TOTAL
	<=12	>12 - 24	>24 - 36	>36	
1	23	89	14	0	126
2	82	47	75	9	213
3	177	54	72	26	329
4	13	0	2	4	19
TOTAL	296	190	163	39	687

Data as of 4/18/95

<u>MPA ISSUED</u>	<u>MPA</u>	<u>TITLE</u>	<u>OPEN TACs</u>
03/19/87	B105	SEISMIC QUALIFICATION, (SQUG) USI A-46	61
06/22/88	X808	THERMAL STRESS IN RCS PIPING	2
06/28/89	B110	MOV FAILURES (GL 89-10)	3
11/23/88	B111	INDIVIDUAL PLANT EVALUATIONS (IPE)	70
09/20/89	B113	REACTOR VESSEL / STEAM GENERATOR OVERFILL	4
06/25/90	B114	POWER OPERATED RELIEF VALVE/BLOCK VALVE RELIABILITY	7
06/25/90	B115	ADDITIONAL LTOP FOR LIGHT WATER REACTORS	4
06/26/91	B118	IPE FOR EXTERNAL EVENTS (IPEEE)	108
02/28/92	B120	REACTOR VESSEL INTEGRITY	1
06/24/92	X201	THERMO-LAG FIRE BARRIERS	6
12/01/92	L208	THERMO-LAG FIRE BARRIERS	74
12/22/92	B122	ROSEMOUNT TRANSMITTERS	17
05/11/93	X302	DEBRIS PLUGGING OF ECCS SUCTION STRAINERS	1
06/21/93	L304	ROD CONTROL SYSTEM FAILURE	17
02/18/94	B124	DEBRIS PLUGGING OF ECCS SUCTION STRAINERS	2
07/24/94	B125	CORE SHROUD CRACKING	17
TOTAL =			392

TOTAL OF 687 ACTIVITY TACs IN THE INVENTORY, MPA TACs ARE 57% OF THE TOTAL.

MPA COMPLETION DATA

FISCAL YEAR	MEDIAN AGE (MONTHS)	TOTAL COMPLETED
91	21.8	241
92	5.0	405
93	10.1	444
94	16.6	441
95 *	18.9	141

* FY to Date

CBLA PROGRAM

(as of 3/17/95)

ACTION

TOTAL

Submitted	145
Approved	87
Denied	8
Withdrawn	3
Under review	47
Estimated savings of approved CBLAs*	\$410M

*** savings based on licensee estimates**

DENIED CBLAs

(as of 3/17/95)

- **The following four CBLA issues have been denied by the staff:**
 - **A Thermo-Lag exemption**
 - **Use of an electronic fire watch**
 - **An emergency preparedness exercise exemption**
 - **A proposal to write the entire operator licensing exam**

TECHNICAL SPECIFICATION IMPROVEMENT PROGRAM

Improved Standard Technical Specifications

- **Reduces LCOs by \approx 40%**
- **Substantial consistency in requirements**
- **Operator-friendly format**
- **Enhances bases: links to safety analyses**
- **Clarifies many long-standing technical issues**
 - **operability**
 - **surveillance practices**
 - **completion times**

IMPROVED STS IMPLEMENTATION

- **Status of conversions**
 - 5 amendments issued**
 - 8 amendments under review**
 - 30 additional units intend to convert**
- **Highest priority on complete conversions**

IMPROVED STS IMPLEMENTATION

(continued)

Line Item Improvements

- **Expect licensees to improve bases and adopt conforming limiting conditions for operation and surveillance requirements, along with the relaxations in the improved STS.**

LICENSE AMENDMENT PROCESS IMPROVEMENTS

- **Screen license amendments for generic applicabilities**
- **Maintain technical quality of amendments**
- **Encourage consistency of amendments**
- **Reduce processing time and effort**

NRC POTENTIAL IMPROVEMENTS

- **Project Manager work planning**
 - **Precedent search**
 - **Work priority, schedule, and level of effort**
- **Precedent database development**
 - **Cross-index amendments, safety evaluation reports, STS sections, and Standard Review Plan sections**
 - **Certify quality of precedent safety evaluations**
- **NRR-wide license amendment processing guidance**
- **Periodic communication on precedent line item improvements**

LICENSEE POTENTIAL IMPROVEMENTS

- **Voluntary use of standard amendment cover sheet**
 - **Identify precedents**
 - **Index amendments to STS and SRP**
 - **Identify relative priority of submittals**
- **Develop protocols for exchanging documents
(Electronic Information Exchange effort)**

SINGLE PROCESS FOR MANAGING GENERIC ISSUES

Problem:

- **Numerous sources screened for potentially generic information by different NRC processes.**
- **Effective project management for plant specific issues, but less effective project management for generic issues.**

Solution:

- **Create an integrated process for identification, evaluation, prioritization, and resolution of generic issues.**

MAJOR SOURCES SCREENED FOR SAFETY SIGNIFICANCE

(annual estimates)

Event Notifications	2300
Licensee Events Reports	2000
Project Calls	1000
Morning Reports	900
Allegations	700
Preliminary Notifications	350
Foreign	300
Plant Status Reports	250
Defects & Noncompliances (Part 21)	150
DOE	70
INPO	50

SCREENING (IDENTIFICATION AND EVALUATION)

- **All NRC staff continue to be responsible for identifying safety issues.**
- **All types of source data screened centrally. Source data stored in text-searchable databases.**
- **Multi-discipline review of source data (Daily conference call and NRR/AEOD/RES Events Assessment Panel).**

PRIORITIZATION

- **Panel proposes action, priority, and schedule for completion.**
- **Technical branch either concurs with proposal or recommends alternative. Significant differences go to panel and successive levels of management, as necessary.**
- **Document justification for proposed schedule, priority, action and resources.**

MANAGEMENT AND TRACKING

- **Action plans required for issues needing more than 800 hours.**
- **Issue reports for action plans and effort expended on other generic issues.**
- **Technical staff provide action plan status updates and report time expended.**

RESOLUTION AND DOCUMENTATION

- **Resolution of generic issues recorded in text-searchable agency repository.**
 - **Link to RES Generic Safety Issues (NUREG-0933)**
 - **Current and completed Action Plans**
 - **Other completed tasks**

COMPLETED ACTIONS

Development of two Office Letters:

- **Screening (identification and evaluation), prioritization, and resolution and documentation of generic issues, issued 3/10/95 for interim use.**
- **Development, implementation, and management of action plans, issued 3/10/95 for interim use.**

PLANNED FUTURE ACTIVITIES

- **Develop processes for production of redacted summaries of allegations and DPV/DPOs, and Part 21 consolidation.**
- **Broaden and integrate text-searchable databases of source data.**
- **Develop additional reports for management of generic issues and evaluate tracking system.**

GENERIC ISSUE OVERSIGHT

- **22 active Action Plans**
- **100 tasks for lesser generic issues**
- **Combination of tracking systems**

PRIORITY	AGE	MPA	TITLE
2	65.0		CR 3 - TSCRN 174 P/T LIMITS AND LTOP CHANGES
2	45.1		SURRY 2 - OPERABILITY/SURVEILL.PER GL 90-06 AMEND.REQUEST OF 06/28/91
2	45.1		SURRY-1 OPERABILITY/SURVEILL PER GL 90-06 AMEND.REQUEST OF 06/28/91
3	58.5		SURRY 2 - AMENDMENT UPDATING MSLB ANALYSIS
3	58.5		SURRY 1 - AMENDMENT UPDATING MSLB ANALYSIS
3	50.9		SALEM 2- APPENDIX R EXEMPTION RECONSIDERATION
3	50.9		SALEM 1 - APPENDIX R EXEMPTION RECONSIDERATION
3	45.4	B115	ARKANSAS 2 - GENERIC LETTER 90-06 (GI-94) - LOW TEMPERATURE OVERPRESSURE PROTECTION
3	44.4		WATERFORD 3 - CONTROL ROOM HVAC OPERABLE CRITERIA
3	43.8		INDIAN POINT 2 - SUPPLEMENTAL INFO RG 1.97
3	40.4		VERMONT YANKEE - LOCFR20.30Z(A) REQUEST - DISPOSAL OF SLIGHTLY CONTAMINATED SOIL
3	38.5		WNP 2 - TS CHANGE REGARDING-WHEN TO TEST JET PUMPS

STS IMPLEMENTATION

- **Number of amendment requests subsequent to issuance of STS conversion amendments**

Crystal River 3	12/20/93	3
Clinton	12/2/94	3
Grand Gulf	2/21/95	0
Hatch 1 & 2	3/3/95	1

- **Approximately 30% of requested CBLAs involve changes included in the STS and line item improvements**