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NUCLEAR REGULATORY COMMISSION

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NUCLEAR REGULATORY COMMISSION

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BRIEFING ON STATUS OF REACTOR

REGULATORY REFORM INITIATIVES

PUBLIC MEETING

- - -

U.S. Nuclear Regulatory Commission

Commissioners' Conference Room

11555 Rockville Pike

Rockville, Maryland

Tuesday, March 28, 1995

The Commission met in open session, pursuant to notice, at 2:00 p.m., Ivan Selin, Chairman, presiding.

COMMISSIONERS PRESENT:

IVAN SELIN, Chairman of the Commission

KENNETH C. ROGERS, Commissioner

E. GAIL de PLANQUE, Commissioner

PARTICIPANTS [Continued]:

JOHN C. HOYLE, SECRETARY
KAREN D. CYR, GENERAL COUNSEL
JAMES MILHOAN, Deputy Executive Director, NRR, Regions & RES
WILLIAM RUSSELL, Director, NRR
EUGENE IMBRO, Director, Regulatory Review Group
JOSEPH MURPHY, Special Assistant, RES
ROY ZIMMERMAN, Associate Director for Projects, NRR

P R O C E E D I N G S

[2:00 p.m.]

CHAIRMAN SELIN: Good afternoon, ladies and gentlemen. The Commission is pleased to greet the Staff on the Briefing on the Status of our Reactor Regulatory Reform Initiatives. There have been a number of regulatory reform initiatives at the NRC in the past few years. I think that the results have been successful in the sense that we have, in fact, slimmed down and reduced some unnecessary regulation. Clearly, we haven't had any deleterious effect on operating reactors, but we are interested and concerned that whether we are moving fast enough and to make sure that the program doesn't lose momentum but rather picks up as success should lead to additional successes.

Our plan is to implement a permanent regulatory review program. It is an important plan for the goal of maintaining a sound set of regulations that fulfill the health and safety mission of the agency without going beyond that mission.

The Commission is all looking forward to hearing the progress and the plan to institutionalize the program.

Mr. Milhoan.

MR. MILHOAN: Good afternoon. Today the Staff is here to brief the Commission on the status of our implementation of the NRC's continuing program for

regulatory improvement and our work to reduce unnecessary regulatory burden in the reactor licensing activities. Other members of the Staff who will participate in this briefing are Bill Russell, the Director of NRR; Roy Zimmerman, Associate Director for Projects in NRR; Mr. Gene Imbro, the Director of the Regulatory Review Group and Cost Beneficial Licensing Programs in NRR; and Joe Murphy representing the Office of Research.

As you are aware, since the Regulatory Review Group completed its study in January of 1994, the NRC has undertaken an even larger effort to review this Agency's regulatory functions. In response to the Commission's February 16th Staff Requirements Memorandum, the National Performance Review Phase II Steering Committee was established which is headed by Jack Rowe and Tom King to manage a three-part study.

On March the 7th, the EDO issued a memo to the NRC Staff directing the Staff to conduct the first part of the study. During the first part of the study, the NRC offices in the regions are reviewing our current regulations and the regulatory agenda to identify regulations that are obsolete, unnecessarily burdensome, too prescriptive, or overlap or duplicate other agencies' regulations.

In performing this review, the Staff notes that substantial efforts have been completed to identify areas in

which unnecessary regulatory burden can be eliminated. Recommendations for further regulatory reform resulting from the first phase of the NPR II Steering Group effort will be forwarded to the Commission by May the 9th of this year, and will lead to a report for the White House by June the 1st of this year.

The goal of the second part of the NPR II Study is to identify any agency functions or activities that could best be done by other organizations, identify those activities that need not be done at all, and to identify those function that can be done more efficiently. Recommendations will be forwarded to the Commission on this part of the effort by July the 1st of this year.

The goal of the third part of the study is to make recommendations regarding alternatives to agency procedures for making regulatory decisions, and other recommendations for increased efficiency for Staff activities that involve significant resources. Recommendations on this third part of the effort will be forwarded to the Commission about mid-1996.

At this time, the NPR II Steering Group is working with the Staff and in particular with those responsible for the Regulatory Review Group Implementation Plan to better understand the changes that are currently being implemented. The value of the work completed by the Regulatory Review

Group to review NRR's regulatory functions, and the continuing efforts of the Staff to complete the actions specified in the Implementation Plan provide a good measure of how far this Agency has already come in evaluating regulatory burden and ensuring that unnecessary requirements are discontinued.

At this time, I will turn the briefing over to Bill Russell for his overview remarks.

MR. RUSSELL: May I have the first slide, please.

[Slide.]

MR. RUSSELL: What I want to broadly do is set the stage, and I want to talk about self-assessment as applied to the NRC because I think that is the context for both NPR II and activities that have gone on in the past.

While our focus today will be principally on what I will characterize as overregulation or unnecessary regulation, I wanted to identify that we have applied the lessons of self-assessment to other issues. We briefed you recently on lessons learned in handling reactor vessel issues, emergency preparedness following natural disasters, the construction inspection program. We have recently sent you a paper looking at the lessons learned from Comanche Peak, Seabrook and Shoreham, how they are being applied to Watts Bar now and how we would apply that to new construction under Part 52.

We have recently identified with NRR weaknesses in handling generic issues flowing from our handling of the Rosemont detector issues, but also issues associated with fatigue, shutdown risk, and others, and those are areas that we are also addressing both from an efficiency standpoint and a management visibility providing direction.

The last area is the approach we have had to allegations and oversight validation activities which the Commission is well aware. So there are process improvement, self-assessment activities going on in those areas. However, the principal focus of today's briefing is going to address issues associated with regulation, with license requirements, and with inspection activities.

By way of background, the regulatory impact survey of 1989 identified a number of issues principally associated with inspection activities, but also related to process improvement as it relates to generic communications and other licensing matters. There was a CRGR review and, as the Chairman commented and Jim did, the Regulatory Review Group activities in 1993.

I would note that many of the issues identified in that review in 1993 were issues that were already ongoing which we put into the framework of the regulatory review. So this process of self-assessment has been going on within NRR.

Also, how this fits in with the National Performance Review. This is an ongoing activity, as Jim mentioned. I can tell you that senior management is paying significant attention to this effort, mainly in the context of looking for areas for further improvement or efficiency in our activities, something that may have been missed, and putting into the appropriate context the activities we have already completed, answering the questions, is this a Federal activity, could it be contracted out, et cetera.

So we are going through the process for each of the regulations in Phase I, and we are already looking at later phases of that review and where we can make further improvements, and we have identified some additional areas which we will mention in the course of this briefing.

May I have the next slide, please.

[Slide.]

MR. RUSSELL: This briefing is broad in scope. My intent is to describe the effort and its status and not get into the details of any particular area. We have a number of Commission Briefings that are set up to brief you in detail on a number of individual areas, and my objective for today is to demonstrate that self-assessment and regulatory improvement has been an ongoing effort within NRR and is one that is producing results.

The institutionalization of regulatory reform is

going to be briefed in four parts. First, we will cover the Regulatory Improvement Program, and we will have a paper to you within two weeks that will describe the status of all the items. Today what we will do is, we will highlight what has been accomplished, what areas need further management attention and focus, and where we are overall with the program.

On licensing activities, we will cover what we are doing in a number of areas in an overview, but we are going to come back and brief you formally on these programs in May. So we should set the stage. So I would encourage that if there are questions that we can't answer, or issues you would like us to address in the may meeting, use this as an opportunity to identify those issues.

We will talk about rulemaking process, but there are several separate briefings on rulemaking activities that are on the agenda between now and the end of June, and so we are going to cover those fairly lightly.

I will, however, spend more time on covering the inspection program and the direction we are going because of the circumstances with the Commission to make sure that you are fully aware of what we are intending to do in the longer term, so if there is guidance that you wish to provide, we can react to that guidance now.

With that, the plan for the briefing is for Gene

Imbro to cover the Regulatory Improvement Program, and he will cover licensing activities. There will be portions that will be covered by Joe Murphy on rulemaking process and status, and then it will be passed back to me to cover the inspection program.

Gene.

MR. IMBRO: Thank you.

As Bill mentioned, there are four primary areas that we are going to discuss today in terms of regulatory improvement. The first area I would like to discuss is how the Staff has established and institutionalized the reduction of unnecessary regulatory burden through the Regulatory Improvement Program.

The Regulatory Improvement Program provides a framework for institutionalizing regulatory reform and the basic principles are those that regulatory burden must be justified, and that the regulatory process must be efficient.

The Regulatory Improvement Program was reported to the Commission in a SECY in 94-090 last March. The primary responsibilities for the Regulatory Improvement Program are shared between the Office of Nuclear Reactor Regulation and the Office of Research. NRR has primary responsibility for two areas, and those being the Regulatory Review Group Implementation Plan and Cost Beneficial Licensing Actions,

and I will be discussing those, and Joe Murphy from Research will be discussing briefly the Marginal-to-Safety Program.

Slide, please.

[Slide.]

MR. IMBRO: The next slide are sort of the details of the Regulatory Implementation Plan as described in the SECY 94-003. Before I go through that in some detail, let me give you some of the background for how that came about. In January 1993, the Executive Director for Operations established a Regulatory Review Group and that Regulatory Review Group was tasked to review parts of the regulation, and they looked at Parts 21, 26, 50 and 73. Those parts, Part 21 deals with reporting of defects; and Part 26, fitness for duty; Part 50, licensing of production and utilization facilities; and Part 73 deals with security and safeguards.

While they looked at those four parts of the regulations, the primary focus was on Part 50 and the licensing of operating reactors. The Regulatory Review Group then prepared a report that was issued in August of '93. Following that, a task group was assembled comprised of people from various offices, and their job was to cull through the RRG report to look to try and glean the particularly significant regulations or areas where actions could be taken to reduce regulatory burden and to improve

Staff efficiencies. Through that implementation group's review, 66 topics were identified that had been recommended by the RRG and five topics added initially by the Staff.

As Bill said, we prepare a semiannual status report to the Commission. The last one was in September of '94, an one will be shortly forthcoming.

Of the total of 71 items that were identified in the Regulatory Implementation Plan, we can report that 31 topic areas are completed, and 11 since the last report. Of course, that leaves 40 outstanding topic areas that remain to be completed, and while I can say that progress has been made in many of those areas, some of those have experienced some schedule delays simply for the fact that some areas are more easy to address than others in terms of whether they involve policy questions or complex changes, and Graded QA is one that has experienced some delays.

Next slide, please.

[Slide.]

COMMISSIONER ROGERS: Excuse me, Gene, just before proceed. My question relates probably to what is on the next slide as well, but the question of how do you define completed. I have always been a little bit troubled by how we define completion sometimes in that it doesn't really close everything out. In some instances, an implementation program has to be finished before everything is really

completed. I notice from the list of topics on Slide 5, that it is really a mixed bag, that some of these things are clearly done. I mean, if we have withdrawn the policy statements, there is nothing more to do. That is completed. On the other hand, if you have issued an implementation plan, that one is not completed until that plan is carried out, in my view.

So I wonder if, not necessarily in this briefing, but in some place along the way, whether it can be made a little clearer as to what really is completed and what is not completed because an implementation plan must be finished and carried out, and then what the timetable for that is?

MR. IMBRO: I fully agree, and the items as listed on Slide 5 are completed. Your reference to the PR Implementation Plan, that was a specific RRG item which was merely to issue the plan. You are right in that this is an ongoing plan and it is going to take years to completely implement.

But, by and large, the areas that we have indicated that are completed are areas where a rule change has been actually made or a process has been institutionalized. So probably you picked one of the examples that really is an ongoing process, but let me assure you that the rest of the actions are completed right

now.

MR. RUSSELL: In addition, we will be sending you an attachment which is quite voluminous that has the detail down to the subactions, what was the schedule and what is the current status of each one, which is the level of detail that you need to follow these to make sure that progress is being made because sometimes there is a long time between milestones, and if you miss those intermediate steps, the action will not be completed. So that is the level of detail that we will be submitting to you in the six-month report that should be up in about two weeks.

COMMISSIONER ROGERS: All right. Good.

MR. IMBRO: Continuing with Slide 5, as we just discussed the PRA Implementation Plan was issued last August, and I don't really plan t dwell too much on PRA because you will be fully briefed on that next Wednesday, I believe, April 5th.

But just suffice it to say that since the implementation plan was issued a policy statement was issued last December, and in response to a Commission suggestion, a workshop was held on the PRA Implementation Plan last December.

MR. RUSSELL: I would correct, that is a draft policy statement. We have the comments on it. We are working to have the final policy statement to the Commission

by the 15th of May, such that you would be able to act on that final policy statement.

MR. IMBRO: The next areas I would like to talk briefly about are areas where we have deleted reporting requirements that we feel were an unnecessary regulatory burden. This was essentially a two-phase effort, but the Phase I, which is the part I am telling you is completed, involved the deletion of two reporting requirements and one rule change where there was a duplicative reporting requirement.

The two rule changes that deleted reporting requirements were involving the submittal of quarterly security logs, or nonsubmittal, as you wish, or quarterly security logs, and also deleted a requirement for licensees to supply us with the Appendix J Containment Leak Test Reports. Now while that information we don't feel is necessary for the Staff to have and have licensees submit, it is still available onsite for scrutiny if we need to look at that.

The next item that I will talk briefly about are changes to the regulatory agenda that were made. The regulatory agenda, as you know, provides the status of rulemaking activities such as advance notices of proposed rulemaking, petitions, et cetera. The RRG found that the reg agenda lacked specificity to allow the public to

understand how the Commission or how we prioritize rulemakings and in some areas why there was a lack of schedule.

Some changes were made to the reg agenda which provides a discussion as to how rulemakings are prioritized and provides schedules for rulemakings where none existed and also provides assurance that current abstracts for the rulemakings are in the reg agenda. This makes the document obviously more useful to the public to follow what we are doing and more useful to the Staff in trying to follow progress of rulemakings.

CHAIRMAN SELIN: But less to the Commission. This is a very, very important topic beyond the scope of this presentation. I think we are trying to do a couple of things that are hard to do with one document with the regulatory agenda. We need two pieces. One is sort of a comprehensive discussion of where we stand on the different pieces to communicate with a lot of people who are interested in one or another, but not the overview, and that is why you need the detail so you an pick out one.

But the other thing is, you know, new rules, according to anecdote, seem to go through a process that is best described as spontaneous generation. I mean, they just sort of pop up. What the Commission needs and what the EDO needs, I think, is a control document which it is very hard

to get on, and if you are not on the document, you don't do a new rule unless some emergent problem comes up, and whether it should be the current regulatory agenda or it should be a subset that is approved by the Commission that maybe gets reviewed every six months or once year that says, look, this is the approved work plan, and doesn't get into the detail about when we are going to publish what. It says, these are the rules that we believe, either the new rules or the changed rules, have been justified through whether it is risk analysis or cost analysis or what-have-you, and if you are not on that list, other than some really exploratory work for new candidates, it doesn't get worked on, and that hasn't happened.

The regulatory agenda, I don't know if it is the history or not, but I think it was intended not just to be a communications device, but to be a major part of the operation of the Commission to control the work plan, and whether it is this reg agenda or a new document to replace that function, I would hope you would seriously consider a control document, since this is the agenda, literally that which has to be acted on. I mean that is what agenda means in Latin. Getting on this should be a big step, and it is a fairly formal process, and other than a little bit of work here and there, we shouldn't see rules getting prepared that aren't on the agenda and there should be a pretty clear idea

about who can improve things getting on the agenda, obviously the Commission can, I would think the EDO could, although after a while I would expect them to come back to us, or if some emergency comes up, but an exclusive rather than an inclusive list.

MR. MILHOAN: We will certainly take a look at that, Mr. Chairman. We had, I guess, started implementing procedures for rulemakings activities streamlining, and this is certainly a topic we will take a look at.

CHAIRMAN SELIN: Thank you.

COMMISSIONER ROGERS: I just want to add my own concern on that. I have felt the same way, that looking at some rules, one or two that have come up recently, that I have found a little difficult to decide whether they really are necessary or not. There are some good arguments for them, but then there are some good arguments that maybe they aren't really needed. Before saying, to myself at any rate, okay, this is probably all right, but I don't want to see more that are marginal like this, the question is, how many more are there out there that are kind of growing up a little bit like mushrooms that may or may not make it past a really tight scrutiny as to whether we really, really need to go ahead with a rule or not.

I think it relates to the Chairman's concern that something has to get on a list by some process, and what I

have been uncomfortable about is what hasn't come to us yet that may be sort of gestating out there, that perhaps at an early stage should be reconsidered and sort of terminated.

MR. MILHOAN: I agree. We are going through that process now of looking at the rules that are under development, and trying to make those basic decisions, and we have the offices reviewing that at the present time, the rules that are under development. So there will be more to come on that.

MR. RUSSELL: I would like to comment that in the process of reviewing SECY Papers or, for example, the actions on the Regulatory Review Group Implementation Plan that, in fact, the Commission approved many activities related to rulemaking. One of the things that I found to be very difficult when I took over NRR was the understanding of just how many rulemaking activities were ongoing and what were we responsible for. So I had a monthly report made that identifies it, and we have 44 rulemaking activities going on that affect the reactor program, nine of which are being managed directly in NRR, everything from activities for design certification, license renewal, other things which are clearly priorities with the Commission. There are some 20 that are ongoing in research for which we have significant support from NRR by way of technical review that has to be managed and coordinated. There are 15 others that

NRR is commenting on where Research is doing the bulk of the review for a total of 44 rulemaking activities.

Many of those are associated with reg reform and burden reduction and relief. Some of them we have been able to keep on track and issue on schedule, and it has taken a level of review effort of looking at where we are on almost a monthly basis to be able to manage the resources and prioritize the activities. So I would be strongly in favor of a periodic review that looks at it and says whether all 44 are needed or not, or some subset of those in light of budget realities and priorities need not go forward, and we are doing that now.

CHAIRMAN SELIN: Since you have looked at the 44, do you have some sense, Mr. Russell, in looking at these how many of these you think, if the Commission had to face up to its actions all at once, we would say, let's drop this one or let's drop that one, or EDO would recommend dropping some of these?

MR. RUSSELL: Well, to give you a flavor, just the nine that NRR has the lead, it is license renewal; design certification for the ABWR; design certification for the System 80-Plus; Fitness For Duty; and we have a general and a scope rule, this is the Part 26 issues that we have been discussing; security audit frequency, that is a petition for rulemaking; steam generator issues which are continuing to

plague us with problems, we are only about 15 years out-of-date with our regulatory guidance in that area; shutdown of low power operations, which we are going to have a public meeting on next month and take a totally changed direction to our approach with that rulemaking; and then one that the Commission directed us to do, and that is to shift from a policy statement to a rule for the tech spec criteria. That is, the rule that establishes what is the appropriate content of technical specifications, which we think is appropriate and we should have back up here in final form.

When we look at the ones in Research --

CHAIRMAN SELIN: So the NRR ones are okay, it is Research.

MR. RUSSELL: Those are the ones that are consuming a lot of resources. If I look at Research, you have environmental policy for the environmental rules to implement in Part 51 associated with license renewal, Part 54, and changes which would be applicable to even Part 52. You have the Part 100 siting issues, the split to be done; emergency planning exercises.

CHAIRMAN SELIN: You are really not going to go through them all.

MR. RUSSELL: What I am telling you is that these issues are not issues that are unfamiliar to the Commission, most of which all have a sponsor, all of which require

substantial resources to manage and plan, and it is an area that we were not managing and planning as effectively in the past, and we are still learning, but it is not an insignificant amount of resources that go into that.

COMMISSIONER ROGERS: I think what you are clearly making the point is that we really have to look at the whole picture, the whole list, and each one of these has, at one time, seemed like a good idea. Yet, when you put the whole thing together, then you may say, well, now wait a minute, let's take another look at these in the light of the entire list, and the regulatory analysis has revealed, I think, when some of these rules have come up that they are kind of shaky with respect to justification.

So somehow, when the Commission first looked at something like the need for a rule, we certainly didn't have a regulatory analysis to go on, and yet that is very important in ultimately prioritizing some kind of a list because it shows up that some of these are really rather marginal in their justification on a cost/benefit basis.

MR. RUSSELL: And we are in a process now that has the potential of identifying additional rulemaking activities to be undertaken in light of some that are already identified. So I think a process that periodically looks at the entire set, prioritizes, is a good process, so I completely agree.

CHAIRMAN SELIN: I would suggest about four things. The first is, your observation that obviously the rulemaking is a process to be managed, not just the sum of a bunch of individual independent processes, is a very good one.

The second is, it is the EDO's job and under the EDO's direction the heads of the two major regulatory offices to continuously review, in a priority and resources sense, not so much was this really a good idea but given resources should we reconsider some of these pieces, and we would expect that the Commission would hear from the Staff if you decide differently on that.

The third is that I am more concerned with how things get on that list in the first place than how they stay on there. I assume that if we have a concrete list and that if you are forced to look at it occasionally, there will be some skimming down, but it is things that get started that aren't even on that list, and I only have anecdotes, but I have heard enough anecdotes about rules that nobody even knew about until they came up.

Then the fourth question really has to do with, one of the questions that should be asked in the new SRM is, will this lead to a new rulemaking, and the Commission should be forced to address that specifically before we approve an SRM, even if we think something is good sense.

At least, that is something to think about there a little bit.

Now I would like to point out that rules like the draft Part 70, often they start because we think they are a good idea, it is just that you have look at the analysis when you get through to see if it is still a good idea, and not just run on autopilot thereafter. I mean there are some that are probably ill-conceived to begin with and some that are just obvious that have to be done, but some of them it sort of depends. So the fact that occasionally we are going to find a rule that we are working on that might not make sense, but it wasn't because it wasn't a good idea given the information available at the beginning, but it just didn't pan out upon regulatory analysis.

MR. MURPHY: Let me mention that we have a number of activities in Research that I will discuss later that are intended to try to bring some more discipline to the process, and we also have instituted putting together a rulemaking prioritization report already where we are trying to take those that are now pending and deal with the user offices and categorized them into various piles so we can make some decision on what needs working on now and what can wait or what should be dropped.

MR. MILHOAN: In our effort, we have asked the other offices to use the Research Priority Plan and identify

those rules in their offices for our review effort to try to get more discipline in the process.

COMMISSIONER de PLANQUE: To emphasize the Chairman's last point, it is not just a matter of reprioritizing all the time, it is looking at the development periodically and raising the red flag, we shouldn't go any further with this, it doesn't make sense, and not go out the full process and bring it up to the Commission and then find out it doesn't make sense. There should be that check along the way, and as soon as it is recognized, we ought to bring this up again, it should come off.

MR. MILHOAN: We agree.

COMMISSIONER ROGERS: We got you off track.

MR. IMBRO: That's okay, actually it is a good lead in to the next bullet on the slide, as it turns out.

The next area that I wanted to discuss was, the RRG identified a need to periodically assess the status of old and delayed rulemakings. This goes a very small step to what you all are saying, but what we found is that there are some rulemakings that have been on the books for a long time, maybe four years or greater, which were inactive or had not proceeded very far. So an attempt was made to say, okay, let's look at this, do we really need it and, if not, let's drop it. As a result of that study, 15 rulemakings

were dropped.

Also, that has been somewhat institutionalized in that I believe the Office of Research in its Semiannual Update of Rulemaking Status to the EDO performs that screen and takes a look at whether or not any rulemaking needs to continue. So that is an ongoing process. You all are talking somewhat of a threshold point, and we are at a low threshold right now, and maybe that can be raised at some point.

COMMISSIONER ROGERS: Just relating to that, I think this is very good, and I think that it is important for us to decide that rulemaking should be dropped and maybe a rule is not necessary, but I am a little bit concerned that that is not the end of our concern with the issue that led to rulemaking. There are other ways of dealing with that issue than rulemaking, and a decision may be rulemaking is not the right way to go, it is too cumbersome, it introduces other things that we just don't have to have.

Nevertheless, there may be an issue, obviously there is a safety concern that led to the rulemaking in the first place for many of these, and there should be some way of assuring ourselves that that issue is being dealt with, whether it is on a voluntary basis, or what-have-you, but that somehow that the issue is, by itself, the safety issue, doesn't get lost when we decide that it is not appropriate

for rulemaking.

MR. MILHOAN: We agree.

MR. IMBRO: Let me just go quickly through the next item. The next items was something that was identified by RRG in terms of the RRG felt like clarification should be provided to indicate that alternative methods for compliance with national standard were acceptable. In the Implementation Group's review of the RRG, they did find that the Standard Review Plan allows for such flexibility.

Generic Letter 86-10, however, was revised, and that generic letter deals with fire barrier qualification testing, was revised to actually provide some flexibility for folks to use on engineering analyses where particular acceptance criteria were not met. So that flexibility was put into 86-10.

Several of the policy statements that were withdrawn, actually there were six, primarily were superseded by rules and were no longer needed or active.

Let me go to the next slide, which is Slide 6.

[Slide.]

MR. IMBRO: I wanted to talk briefly about some items that are in process that we feel will provide substantial regulatory burden reduction when they are completed and institutionalized. Again, some of these are the more difficult ones that we are dealing with. I don't

really plan to discuss all of these on this slide, but let me discuss four.

I wanted to discuss briefly the security plan changes, the commitment management program, our continuing efforts to eliminate unnecessary reporting requirements, and the CBLA program.

Let's proceed to the next slide.

[Slide.]

MR. IMBRO: The Commitment Management Program is perhaps a good example of what Commissioner Rogers just said in terms of an area where we could have gone the rulemaking route, but decided that there were alternative approaches that were perhaps easier to implement.

One of the findings, and this was a major recommendation of the RRG was, there is a lack of definition in the regs for what a commitment is, and further there is not a defined process by which commitments can be changed. Initially, the thought was, well, maybe we should pursue rulemaking and try to define commitment. However, we took a different tact and we are working with NEI, with the industry, to develop guidance in this area. It turns out that that relationship is probably one of the more cooperative, at least in my dealings, with industry. It has been very cooperative relationship, and we have worked with them, them being NEI.

We found that on average licensees manage about 8,000 commitments. If you have 8,000 commitments, how many of those can be really significant, and it turns out that some of these commitments were judged after the fact to be somewhat excessive or inefficient or, for that matter, no longer applicable. I mean people have commitments on the books that were made during the preop test programs that they are still tracking. So there is clearly a need to change some of these and remove them from the licensees' list of commitments or commitment tracking system.

The problem, I guess, turned out to be that the licensees are somewhat hesitant to remove commitments without NRC involvement, and in cases these were commitments that were made to the region on some docketed correspondence or commitments made to particular inspectors or residents. So while there was no real process to change these, the licensees felt like if they wanted to change a process, it was somewhat informal where they could go back to the Staff and say, hey, you know, we would like to change this, do you have a problem with that. So there was a lot of Staff interaction that was necessary for removal of commitments from the tracking systems.

What NEI has done, a little bit with our participation, has been to develop a framework to modify or delete commitments without -- in some cases without prior

approval and in some instances, where commitments are particularly insignificant, without even having to notify the Commission.

Clearly, there is a potential for burden reduction on both sides in that the licensees are free to do things without our involvement which saves them some resources and also saves NRC the resources of having to not interact with the licensees.

The NEI guidance was developed through a series of several public meetings with the Staff where the Staff provided some views and inputs and kind of helped shape the guidance. We are right now in a pilot program to evaluate or validate, if you will, the NEI guidance or the implementation of the NEI guidance, our thought being that while we read the words in the NEI guidance and find them reasonably acceptable, we wanted to make sure the licensees have the same read and they are implementing them in the same ways.

We have ultimately planned to complete one pilot audit in each region, and we have already completed three and one is scheduled, I believe, for next week.

CHAIRMAN SELIN: Does it make any sense in these pilots to take one of them and just start the other way around, and say, it is the responsibility of the Staff to prove why any of these commitments should stay in place or

are some of these commitments so central to operation that you couldn't even consider --

MR. RUSSELL: Some of those fall into the category that they be within the scope of 50.59, could be an unreviewed safety question, or maybe an amendment to the license, so there is clearly an upper threshold for some of these. Some have come about as a result of a corrective action to an enforcement for a noncompliance where the licensee has proposed to do something to address it and we have found that acceptable. A lot of them come up in the course of inspection activities, et cetera, which is how we have gotten to a large group.

What we would like to end up with is a process that we can agree to that basically extends the 50.59 concept to other areas to allow them to use that to manage commitments to indicate, these are the kinds of things that you should inform us about, these are the kinds of things you can change without our prior review and approval.

CHAIRMAN SELIN: So basically licensees could drop wholesale numbers of commitments if they do some analysis and are prepared, if questioned, to --

MR. RUSSELL: To defend why they have dropped that, yes.

CHAIRMAN SELIN: But in order to do that, they would have to tell us they are dropping these commitments?

MR. RUSSELL: We believe in some they would need to inform us, others it would not be necessary to inform us.

MR. ZIMMERMAN: The vast majority, Mr. Chairman, would not need to be brought to our attention on the front-end. It would be on a similar frequency as an FSAR update, about an 18-month frequency after the fact. That would keep the docket straight. It would not be an upfront approval by the Commission.

COMMISSIONER de PLANQUE: Are you going to have a way of measuring the success of this?

MR. RUSSELL: Yes.

MR. IMBRO: Let us look at that. In fact, I will address that right now. What we plan to do ultimately, when this process becomes fully institutionalized and we intend to institutionalize this essentially by perhaps indicating via letter to NEI that this is one acceptable way that licensees can use the changed commitments, but NRC, similar to what we do for 50.59s, will be conducting inspections maybe on an annual basis or a fuel cycle basis, to review commitments that licensees have changed or modified to assess whether or not they are really implementing the NEI guidance in an appropriate manner or a way that we would find appropriate. So we are going to have a double check, I guess, at the end.

COMMISSIONER de PLANQUE: Have you thought about

what you would do if a licensee did withdraw one of these commitments under what he thought was the proper guidance and the proper analysis, but you disagreed? Have you thought about what you would do and is this in any way going to intimidate the licensee?

MR. RUSSELL: No, because the burden shifts to us to demonstrate why the requirement was needed and what the process is for doing that. So basically what we are trying to do is put a framework in place that if they follow that framework, do a review that concludes that this is no longer a necessary requirement because, that we would review that periodically, the same we review the 50.59 reviews that are done, and generally we do not have significant issues back and forth with licensees on how to use 50.59. We have found NSAC-125 to be quite good guidance, and our experience with it has bee quite positive.

We are hoping that we can endorse the NEI guidance. It may be a letter endorsement, the same way that we have informally endorsed NSAC-125, 125 unfortunately goes beyond our regulatory requirements, so we have had some difficulty saying, yes, follow this exactly because they impose on themselves some requirements which are not ours. But generally it is a good process and you can see that from the results. So we would propose to do it, just as Gene said, through an inspection activity, probably by the

project manager, but it would have to be coordinated with the region because there are some commitments that follow through from enforcement type actions, and look at those after the fact and use that as a mechanism to gain confidence in how the licensees are following and implementing the guidance.

So this is an area where we see the potential is for significant burden relief, particularly if you look at the history where the agency does not tell someone that they are proposing to do more than what we would require. In many cases, licensees have overcommitted beyond that which we would have imposed, and we simply say, we find your commitment acceptable. That is how we got the situations where different licensees have very different resources committed to the same regulatory requirement, and they vary by a factor of three or four or five to basically meet the same requirement, but they have made different commitments as to how they are going to meet the requirement.

MR. ZIMMERMAN: This effort will level the playing field with commitments that are housed in the FSAR, so the same type of criteria that applies currently on what items need to come to the AP's attention and to be reported to us would similarly be applied through the NEI guidance document to commitments that are on the docket outside the FSAR.

MR. RUSSELL: We see this as one that is based

upon the three pilots thus far and the work that is ongoing that we believe will be a success and that is one that we will be able to institutionalize and provide a process for making changes to commitments without having to go into rulemaking activity to find what a commitment is and bring all of the burden along with that activity.

Let's go to the next item, please.

MR. IMBRO: Okay.

MR. RUSSELL: We need to speed up.

MR. IMBRO: Let's move to the next slide, please, Slide 8.

[Slide.]

MR. IMBRO: Let me just touch briefly on this. This is the area of discussing security plan changes. Plan changes, as the Commission is aware, that decrease effectiveness require Staff review and approval prior to implementation. The goal here was to provide guidance to allow licensees to better judge that constitutes a decrease in effectiveness and this will reduce instances where NRC will be requested to approve plan changes and it will provide, obviously, a more efficient process for the industry.

This has been somewhat of a rocky road for us in that we have had some difficulties internally agreeing on what constitutes a decrease in commitment, but suffice it to

say we think we have developed sufficient examples which will be contained in a generic letter that will provide examples of items that decrease and increase plan effectiveness, and also the generic letters will also contain a screening criteria.

The generic letter is planned to be issued in 4/95 in draft form. So this is an area ultimately where we hope to reduce NRC participation by giving licensees more guidance to make decisions on their own.

CHAIRMAN SELIN: I really hope that security is not like some other things where more is necessarily better. There is no reason to have any more security than you need. So I would hope that we would go not only to steps that don't reduce effectiveness, but if somebody has more security than is necessary, they should be able to get down to some standard without having to apologize for having over performed in the past.

MR. RUSSELL: The approach we are taking, in the past we have looked at individual areas and the sum total of the areas were what were necessary to meet the regulations, and then we had guidance in each area as to what we felt was sufficient and licensees made commitments. If they wanted to reduce by one security guard, the argument is, that is a reduction in effectiveness.

What we are trying to do is provide an approach

which would require looking at the whole program to determine whether the program does or does not meet the objectives of the rule, and to provide guidance that says a change within that framework is acceptable with some examples.

We have also found that we have, through regulatory documents that are not promulgated as reg guides for formal guidance, specifically NUREGs, that we have put out guidance in the past which has been used by inspectors and others as pretty much the expectation which have not been through a formal rigorous process. So we are looking at reemphasizing that that is not a requirement, it is not even guidance in the context that it was promulgated for a public comment process. So we are looking at that as well.

This issue is one that has become emotional, and I think there are some atmospherics around it related to issues other than just physical security at the plants and what is necessary. But if you reduce the number of plan changes, you reduce the number of reviews, you may be reducing the number of inspections, that has implications for resources.

So we need to get back to the fundamentals of looking at what is needed and why, and once we have decided that, then the next part is an implementation, retraining or other issue, and deal with that. We are starting to have

that dialogue now with some other issues that have come up.

So this is a difficult issue. We believe we are making progress. I will know better with the next meeting with me on it, but the plan is to have a draft generic letter ready to go to CRGR and go for public comment in April. We are getting close, but it is a tough issue internally.

MR. IMBRO: The next slide, please.

[Slide.]

MR. IMBRO: Let me run through this quickly. The first bullet on this slide really deals with the Phase I activities which I have just mentioned before, and I won't go through them again, regarding the two rule changes that were made.

The Phase II activities is really a process that has, in fact, started, and the first meeting of a group which I will discuss is going to be held tomorrow. What we really asked is for the NRC and NRR and other offices to really look objectively at items or information that is reported, and to assess, do we really need this information. So we have asked all the program offices to review and basically confirm the need for this information that they get from industry.

I am going to be chairing and interoffice panel which I hope will provide an independent and objective look

at whether or not people, in fact, need the information, is the information providing a safety benefit, how are they using it, are they using it at all.

From that could come, if the answer is this information is not very useful or not being used by the Staff, it might be appropriate then to initiate rule changes to allow people not to submit this anymore. So that is an ongoing process.

Next slide, please.

[Slide.]

MR. IMBRO: This slide is the discussion on Marginal-to-Safety and I will turn this over to Joe Murphy who has the Marginal-to-Safety Program.

MR. MURPHY: Basically, this is a program we started we started a few years ago. The main things that have happened is, the Commission has approved putting out an amendment to Appendix J that allows performance-based revisions. That has been put out for public comment. This would lead to a savings in the $300 to the $700 million range.

I think more importantly with that proposed rule is, we are also asking for comments for the future in terms of how we should address the leak rate criteria and shifting to a more risk-based criterion on that. It will make this much more performance-based than it is now.

We have just received the petition for rulemaking on modifications to Appendix R and fire protection requirements. That is under review. The petition that we received will require a guidance document to accompany it. We plan to do parallel work with the industry in developing such a guidance document to come up with a regulatory guide. Our experience has been that when we work together in developing such a guide, we come up with a much better product than if we sit back in a reactive mode and wait until the industry has come up with a guide and then react to it. So we plan to go down a double path. If at some point we find it is advisable to terminate that and we can accept what the industry is doing, we will do that.

Finally, we have a continuing process where we ask licensees to identify additional items which have been under the Marginal-to-Safety rule. I will be addressing later in the presentation the modification we just put out for comment on Section 2.802 which encourages industry to submit their own petitions in this area.

COMMISSIONER ROGERS: Do you have any other items except these two that are in the Marginal-to-Safety Program right now?

MR. MURPHY: Those are the only two right now.

COMMISSIONER ROGERS: Because my understanding is, at the 1993 workshop there were discussions of a couple of

other items, combustible gas control and equipment qualification and QA and physical protection. QA and physical protection you are working on, but did you drop the combustible gas control and equipment qualification?

MR. MURPHY: As part of this program essentially yes, because what we have done is, we have said that we believe that the industry knows better than we do what parts of the regulation are bothering them the most. So that by changing 2.802 and trying to make it so that we encouraged the industry to come in with petitions in areas where they have problems that we can accomplish that in a much better way than us trying to anticipate what their problems are and then spending our money trying to work the area to let them identify the areas, and then we can work together on it.

COMMISSIONER ROGERS: Good.

MR. IMBRO: Slide 11, please.

[Slide.]

MR. IMBRO: I would like to discuss now three areas where the Staff has taken initiative to reduce unnecessary regulatory burden by institutionalizing changes to the license amendment process that makes the process more efficient and receptive to licensees changes that reduce regulatory burden. Again, these benefits or efficiencies will benefit both the staff and the industry.

The three areas that I would like to discuss today

are the CBLA Program, standard tech spec conversions and the Line-Item Improvement Program.

Slide 12, please.

[Slide.]

MR. IMBRO: The CBLA Program was started -- actually the term CBLA was coined in 1993, and CBLAs are defined as plant-specific license amendments that have low safety significance but are burdensome to implement. CBLAs have been around forever. There have always been license amendments that would have fallen into the category of CBLAs, but they weren't really recognized as such until 1993.

Prior to 1993, the items of low safety significance, regardless of regulatory burden which were categorized as Priority 4, and that is the lowest NRR review category. In 1993, the Staff looked at this and we said, there is a safety benefit to allow licensees to reduce unnecessary regulatory burden by us taking more prompt action on some of these licensing areas which have a high regulatory burden, but not much return in terms of safety significance.

So by permitting licensees or processing these license amendments more quickly to allow licensees to reduce some of these requirements, they are then able to redirect resources to items that are more safety significant. The

CBLA Program provides more management attention and more involvement and a more timely Staff review.

Let me talk briefly about the prioritization. As priorities in 1993 were increased from Priority 4 to Priority 3 for license actions falling with the CBLA definition, more recently, and in the generic letter which I am going to talk about in a second, this priority was further increased, and we did that by partitioning the Priority 3 activities into two areas, and we would like to allow right now items that fall within the CBLA category to be processed prior to other Priority 3 licensing actions, and I think this really shows that the Staff is firmly committed to the CBLA Program and to reduce regulatory burden. We really want to get licensees to participate.

The administrative letter, as indicated on the slide, 95-02 is really the vehicle that institutionalizes the CBLA Program. Prior to the issuance of the admin letter, industry was made aware of the CBLA Program through various talks by me and my predecessors, the industry groups and within the Staff, and we do a reasonable amount of public speaking to let licensees know what kinds of things we are doing. However, the admin letter really provides kind of a framework for licensees to use to participate in the CBLA Program.

To make the industry more aware of the CBLA

option, in fact, we have scheduled a public workshop that will be held next door in the auditorium on the 13th of April, and the CBLA topic is also going to be discussed again at the Reg Information Conference.

Next slide, please.

[Slide.]

MR. IMBRO: Just a few statistics on the CBLA Program. Since the program's inception in mid-1993 a total of 145 CBLAs have been submitted, of those 87 have been approved, and these result in a savings for the industry of $410 million, and these savings are based on licensees' estimates and are projected savings over the remaining plant life. So we feel like the program has been fairly effective.

COMMISSIONER de PLANQUE: Just out of curiosity, when you briefed us last year, I think you were expecting about a 3 to 4 times as many of these applications to come in. Do you have any idea why they haven't been as many as you projected?

MR. IMBRO: Several reasons. Actually part of it is good news, I think that in a lot of instances where we have asked licensees -- in fact, that is a very good point because only six CBLAs have been submitted this year, and we are saying, what did we do wrong. I don't think we did anything wrong. Actually, i think we have done things right

in that licensees are saying, we get a good turnaround from the Staff on license actions. We don't really feel like we need to take advantage of the CBLA Program because in the licensees' opinions the license amendments that they send us are getting processed in a manner that suits their needs.

In fact, some licensees have raised the concern, well, they thought that so many license amendments were going to be submitted that it would sort of bog down the CBLA process, which isn't really true. So that is somewhat of a misconception that we intend to clarify at the workshop.

But, anyway, I think that is some of the answer. I am not really sure.

MR. RUSSELL: I think the other thing is that we have been pushing the industry and the owners groups to get together and to share information on CBLAs and to do that. We have had an increase, as we will talk about in just a minute, in licensees focusing on tech spec conversion. If you go through tech spec conversion, you get all this stuff done at one time, then you don't necessarily need all of the Line-Item, case-by-case rules.

We don't have a good answer for it. We are giving it priority. It is getting management attention. I get reports on the status of the CBLAs within Priority 3. They get a faster turnaround and more focus, and we don't

understand why the industry is not taking more advantage of it.

COMMISSIONER de PLANQUE: Is there some similarity in the ones that are being submitted from plant to plant or are they all over the place?

MR. RUSSELL: We have asked for them to focus on them being initially as plant-specific as they can make it with as good a justification on their plant-specific basis. We are not looking at generic CBLAs.

COMMISSIONER de PLANQUE: And you don't see that happening?

MR. RUSSELL: We have a process for handling those which we will describe and a CBLA could identify a generic improvement, and we would then process it and make that available.

MR. IMBRO: Maybe to answer your question a little bit more precisely, there are some multiple hits where licensees have looked and seen license amendments approved for a different plant and have decided, I want to take advantage of this as well. Not to a large extent, but Biometrics is one where they feel like they can reduce the size of the guard force by having people use palm prints or something like that to gain access to the plant. So Biometrics is one that at least two or three utilities are taking advantage of under the CBLA process. But, by and

large, they are kind of scattered across.

COMMISSIONER ROGERS: Just on those eight that were denied, were there any common elements there are were all these very specific? You have said that you have encouraged the license amendments to be those that would pretty much apply to that plant. Were there any common bases for any of those eight that would give guidance to other people?

MR. RUSSELL: I guess you can broadly. Rather than answering that now, since we are coming back to brief you in detail on the licensing program, let us come back and give you a more complete answer at that time.

COMMISSIONER ROGERS: Sure.

MR. IMBRO: Next slide, please.

[Slide.]

MR. IMBRO: Standard tech spec conversions, because of the burden reductions to be gained by industry and the Staff, we are strongly encouraging conversion to standard tech specs. In fact, we have designated full conversions Priority 1 and that has been that way at least since 1993 that I can remember. We certainly feel that conversion to standard tech specs provides a more efficient use of industry and Staff resources. Conversion to standard tech specs will cause approximately 40 percent of the LCOs, limiting conditions of operation, to be relocated to

licensee-controlled documents such as the FSAR or the QA Plan, and then the changes can be controlled by 50.59 or 50.54.

There is, we feel, an intangible safety benefit gained by reducing the content of the standard tech specs in that it will allow the license operators to focus on the more important tech specs and have the less significant ones then moved out to different documents.

Our process to date is that the lead plant conversions have been completed for five units, Crystal River, Clinton, Grand Gulf and Hatch Units 1 and 2. The license amendments for nine other units are scheduled for completion this year, and 29 additional units have indicated their intent to convert.

Again, the Staff expects that conversion reviews will get progressively easier as industry gains experience and licensees talk among each other so that they know how to submit things and to explain what they are doing in better ways, and also the Staff, as we do more, is going to gain more experience. So we are kind of encouraging that as we and the industry get a little bit smarter as to how to process these standard tech spec conversions as plants who have not yet signed up for the tech spec conversion will come forward.

Again, we think that this is really going to be a

large benefit to both us and the industry, and we take every opportunity to encourage people to do tech spec conversions. One item I will mention is that our workshop that I had mentioned just briefly ago was regarding CBLAs, it is actually a two-part workshop, the afternoon is going to be devoted to tech spec conversions, the morning to CBLAs. So we are really trying to drive licensees towards full conversions.

CHAIRMAN SELIN: These are the most favorable numbers we have had ever on this program.

MR. RUSSELL: Yes, and we are staying on schedule. We have committed to a six-month turnaround, and it is not going to be from a lack of internal Staff resources for missing that, it will be because we either didn't receive the information from the licensees. We are also being very flexible on implementation dates. That is, we are issuing the amendments when the work is done and letting them choose then the implementation date so that they have time to manage the conversion in the most efficient manner.

I would characterize it, as I look down the list of licensees that have already committed, many of them are the better performers that have the marginal resources available to seek out ways of reducing burden, and this is going to make their competitive performance even better. So I would encourage other licensees to also do it.

We have some licensees that are not performing as well, and we have committed, if they decide to make the change, we will support that change on a priority basis so that we can eliminate the unnecessary requirements and we can get the operators focused on those which are necessary and doing those well.

MR. IMBRO: Since we are somewhat in a bind for time, I guess I am on Slide 15 now, Line-Item Improvements.

[Slide.]

MR. IMBRO: I will go briefly through at least the first two bullets, which are the most important, I think. Line-item improvements essentially are tech spec changes that licensees can voluntarily choose to adopt, and these are changes that are based on a generic safety evaluation. Certainly there is an economy to the Staff in addressing tech spec changes in a generic manner, and it will benefit industry also in that when they request line-item improvements they can reference a preapproved evaluation, and this speeds the process dramatically. If the industry submittal falls within the bounding analysis of the safety evaluation, then likely it won't need Tech Staff involvement and could be approved by the project manager.

For the more complex line-item improvements, we issued generic letters, basically to provide guidance to the industry in defining the things that are of interest in the

Staff to improve the line-item improvement. The resources connected with generic letters are very high. I mean it takes a fair amount of time to issue a generic letter, as you know, because the necessary public involvement and CRGR reviews and the like.

We are trying to develop a less complex process where less complex changes can be reviewed using sort of a precedent review process, and the Staff is in the process of developing internal guidance so that precedent reviews could be circulated within the Staff, and then project managers who have a licensee that comes in and has a request similar to another licensee can reference the precedent, and we plan to inform industry periodically of these internal guidance memorandums if that is what it turns out to be.

But basically we are entertaining tech spec changes in these particular areas which are not necessarily as complex as that would occur in a generic letter. The goal is that we really want to try to give industry as much opportunity to reduce burden as possible.

I can quickly go through the next bullet. We are continuing to process plant-specific changes as outlined in the Commission Policy Statement. Having said that, we are still strongly emphasizing the benefits of full conversion, so we would really like to get people to convert totally.

The line-item improvements naturally in

recognition of that are a lower priority than full conversions, and it appears to us that the licensees are coming to realize that selective adoption of provision of the standard tech specs are not really economical and people have been reviewing, and maybe they want to adopt half or two-thirds of the standard tech specs, but by the time they incur the overhead of rewriting all the procedures, it is almost more economical and more timely for them to adopt the standard tech specs in total. So we feel like we are encouraged that licensees will move more and more to adopt standard tech specs.

The rest of the slide deals with the line-item improvement process and for time reasons, I think I will skip that.

I would like to turn it back over to Joe Murphy from the Office of Research to discuss the rulemaking process initiatives.

[Slide.]

MR. MURPHY: Thank you, Gene.

On Slide 16 we identify the three major areas where the Office of Research is involved. The third one, the rulemaking activities under the Regulatory Improvement Program, is the Marginal-to-Safety Program we discussed earlier. One of the recommendations of the RRG was that as we changed the focus of that program we also changed the

name of it so that is the reason for the two names.

[Slide.]

MR. MURPHY: Now let me go on to Slide 17 and discuss the first of our activities, which was the process for changing the way we did petitions for rulemaking. We have issued the revised 10 CFR 2.802 for comment. This encourages petitioners who are seeking burden relief to submit complete rulemaking packages to us and a promise is that we will give them expedited treatment if they do so.

It is issued now for public comments, after the public comments are received, we will be preparing a regulatory guide to provide guidance on what constitutes adequate petitions for treatment under this rule.

[Slide.]

MR. MURPHY: The second major item we have is our regulatory analysis guidelines discussed on Slide 18. This is before the Commission for a vote right now. Basically what we have tried to do here is to change the guidelines to bring more discipline to the process by tying them closer to the safety goals and by using an improved method for a value impact analysis.

We are also revising the regulatory analysis handbook that goes with the guidelines to incorporate the latest source term information. Most of the regulatory analyses that have been done in the past have been using

source terms based on 1400. We know now that these are off perhaps by as much as an order of magnitude in places so that we get a much more sensible answer upon which we can make our decisions if we go to the improved process.

It also will consider an explicit consideration of offsite costs. At present, we do that using the dollars per person rem as a surrogate for offsite costs, and we are also reconsidering the costs associated with avoiding exposure.

Those are the main rulemaking --

COMMISSIONER ROGERS: Are you considering any changes in that $1,000 per person rem?

MR. MURPHY: We are looking at it to see if it should be changed right now.

MR. MILHOAN: We will have further information to the Commission on that.

MR. MURPHY: With that, that completes the rulemaking aspect of this. Let me turn it back to Bill Russell for the inspection program.

MR. RUSSELL: I am going on Slide 19.

[Slide.]

MR. RUSSELL: I am going to cover what we are doing with the recent Commission guidance on the Superior Performer Program, and then the next two issues, the plant performance reviews and the integrated performance assessment, which really relates to inspection planning and

execution of inspections and how we focus more on areas of need rather than just conducting additional inspection.

We will talk about how we are going to be using risk insights in inspections and what the improvements are to the Resident Inspector Program.

Slide 20.

[Slide.]

MR. RUSSELL: The Superior Performer Program's goal is to provide recognition and positive reinforcement by going to a mandatory 24-month inspection cycle or 24-month SALP cycle. In addition, there will be a specific management review of the plant inspection activities at a senior level for that facility, and then the inspection plan will be provided publicly to the licensee. So the issue is to identify that minimum inspection program and that that would be the inspection program that will be conducted at that facility with the exception of event or reactive effort that would be necessary or if circumstances changed such that we concluded that they were no longer a superior performer.

I will be, in fact, discussing this process with Diablo Canyon in May during the site visit to make sure that the implementation has, in fact, been completed. You will recall that Diablo Canyon is one of the first two plants to be so recognized.

Next slide, please.

[Slide.]

MR. RUSSELL: Plant performance reviews, this was an issue that was discussed at length at the last senior management meeting, and it was discussed in the context of, how do we make our evaluations of licensee performance more objective. Specifically, how do we use licensee event reports, inspection reports, enforcement information and performance indicators in a consistent manner. This requires collecting information with time, putting that information in various categories, what we are doing is looking at the SALP functional areas, and then assessing what the trends are within that with time. This requires a much more focused effort by the regions in performing these reviews.

Each region has underway different processes within the framework of conducting a plant performance review as to how most efficiently to conduct that activity. One that has recently been observed that was quite successful, we think, is the interaction with Region II and Crystal River where they actually had a process where they collected phrases or sentences from inspection reports, organized them, looked at human events, organized those by those errors, and then looked at the trends with time over a period of about a year. The licensee, in parallel, did a

similar review and then they had a meeting to discuss it to see what was the information that we had based upon their performance, and was there really effective communications. We found that that was a very good process.

Other approaches are being implemented by other regions, and we have planned at our senior management meetings to discuss the various approaches and see if we can agree on which appears to be the best and whether there is a need for change to guidance.

CHAIRMAN SELIN: As you know, I think this is a terrific idea, but the question is, is this all incremental to things we are already doing?

MR. RUSSELL: If you will wait until the next slide, I will identify how we propose to use this in lieu of some things.

The major issue here though is, the outcome would be, each six months a planned inspection activity for that licensee, which is based upon assessment of performance, so that you specifically inspect in areas where you believe performance is weak, and you defer inspection activities in areas where you have evidence that its performance is positive.

So the intent is to cut back on future inspection activity, and to do this at least each six months for each plant, and then make that inspection plan public by

providing it to the licensee.

CHAIRMAN SELIN: So you are seeing something where the overall SALP Program might set the framework of how frequently and how much resources go into the inspection program, and then this is next level down and, say, for a given amount of resources, how do we use them most efficiently.

MR. RUSSELL: This is on an continuing basis each six months within the framework of SALP.

CHAIRMAN SELIN: But you more or less will say, we have a certain number of resources budgeted for this plant in the next six months, where do we put them most effectively, or would you see actual inspection level change?

MR. RUSSELL: We could see inspection level change, we could see resources being diverted to other facilities. Clearly, we have an issue with fungibility of inspection types. If we have a specialist in an area and we conclude that we don't need inspection in that area, we are going to have to put some resources into retraining those inspectors to be able to do other things rather than simply sending them out to do more of the types of inspections they have historically done. So there are quite a number of implications from this change in process.

But this first element is what I will characterize

as the six-month continuing review.

CHAIRMAN SELIN: Would the emphasis be primarily on the regional inspectors or would this affect the residents?

MR. RUSSELL: This is principally on the regional inspectors, but it could influence areas at the site within the core program that need more focus, so it could redirect some of the resident activities.

The next slide, please.

[Slide.]

MR. RUSSELL: The Integrated Performance Assessment Program, we have sent you two Commission papers describing a pilot activity that we have had ongoing. This is a tool that would be intended to be used on average about once each four years for a facility. The process is essentially an in-depth review of the docket for performance information on the plant, inspection reports, SALP reports, event reports, enforcement activities, where they are organized into four functional areas, and an evaluation of performance is then developed and documented in writing based upon what the performance has been. It is shared with the licensee in draft prior to an onsite inspection, at which time you go in and perform an inspection to confirm what you have observed or to identify there have, in fact, been changes in licensee performance which were not

recognized on the docket.

You would then, upon completion of the inspection, identify strengths and weaknesses in licensee performance in the four functional areas, and develop a tailored inspection program based upon that comprehensive review. This is seen as being a check on the activities that we conducted each six months. As we get better with that process, we would hope that this would be confirmatory.

We also see that this could be a replacement for the kinds of activities that are conducted by the SALP Boards prior to SALP, so that you could use the inspection report and present the inspection report to the SALP Board rather than all of the Staff activity that leads up to that process. So we see that those two could be integrated.

In addition, because the approach that NRR has taken in the past to evaluating implementation of the inspection program has been somewhat of an in-office audit looking at whether you have carried out the program or not, we have concluded that we need to modify our approach and instead look at a facility.

We would propose to use this same inspection approach at a plant in a region to evaluate the inspection reports, to evaluate plant performance, and see how the program has, in fact, been implemented with time at that licensee, and use this in addition to our audits of program

guidance to make judgments as to how effectively the region is implementing the inspection program.

COMMISSIONER de PLANQUE: Before you go on, I am having a hard time doing the arithmetic and finding out whether this is an net increase in inspections, decrease in inspections, or whether it is just different, or whether there is a particular problem we are trying to solve here?

MR. RUSSELL: There is a particular problem that we are trying to solve, and that is that we have been surprised by the diagnostic evaluations at South Texas, at Quad Cities, and other facilities, and what we have found is that the issues were not new issues. If one had carefully looked at the inspection record for the plants, looked at the events, looked at the other information, that generally you could have portrayed the performance problems earlier.

So what we are really looking at is, how do we better assess performance to identify these problems with fewer resources than would be needed for a diagnostic. To do this in a manner in which you share with the licensee in advance, what is your analysis, confirm those results, and then focus your inspection activity in areas of weakness where you have had a dialogue with the licensee on why you believe it is an area of weakness. So we believe that this would be a more effective use of resources.

We are also proposing to do this in lieu of some

of the types of what we have called mandatory team inspections from NRR. We are not proposing to do more surface water inspection, or EDSFIs, those are essentially completed. We have not completed the full review of this process. What I am describing to you is a vision of what it would look like. We still need to go through the results of the pilot. We have a workshop planned to get feedback. We have not determined how we would incorporate self-assessment into this concept.

I must admit, the approach that was used by Crystal River where they assessed their own performance and then met with the region and discussed what it was may be appropriate. A licensee may be able to do their own self-assessment and present this and the Staff oversee it so that we would not need to have such a comprehensive team inspection.

But the problem that we are trying to solve is that we have not done as good a job of assessing all of the information available to us. We are very good at going out and doing inspections, writing inspection reports, putting it on the docket, and then going on to the next plant, do an inspection, make a finding and put it on a docket. What we are talking about is shifting resources to reviewing, understanding and assessing that. It probably means in the short-term a reduction in actual onsite inspection hours in

order to be able to do the analysis of performance as to what it means because we are looking at about, based upon experience to date, it is about a five-week effort for four people to review what has been the actual docketed performance at that site over a two-year period.

So we think it is appropriate and it focuses on trying to anticipate problems sooner, not be surprised, and at the same time provide a well docketed rationale for burden relief in areas where performance is satisfactory. So it is part of a whole program. It has been positively received within the Staff. We have not had the dialogue yet with the industry. Those licensees that were on the receiving end of them had that experience, and we now need to factor that back into our planning, and we have a workshop planned to do that in April.

[Slide.]

MR. RUSSELL: Risk insights, this one I will go over relatively quickly because we do plan on briefing you on this in some detail at the April briefing. We will also talk to you at a separate briefing on how we are handling the specifics of the results of the IPE reviews.

Let me just start out by saying that the issue is very closely related to what I will characterize as maintaining control of plant configuration and online maintenance activities.

We did a pilot at one facility where we actually took plant logs and records and attempted to determine what was the actual configuration of the plant with time, and then we used that utility's PRA model in their computer and we actually ran it, and we developed what was the risk profile with time for the facility, and then we interacted back and forth with the utility on some of the issues and we found that, well, our assumptions about the equipment not being available really weren't correct, and we honed it down.

What we found in the end was that there were several cases where, by the way the planned the activities, resulted in significantly higher risk than was necessary, and it could have easily planned them to be done at different times and, thereby, minimize the risk.

CHAIRMAN SELIN: Mostly in shutdown?

MR. RUSSELL: This is operation. We only focused on at power, the control of configuration in shutdown is even more difficulty to do the assessment, but we used the Level 1 PRA. The plant that we did the first study on was Duquesne Light's Beaver Valley Unit, and we had very good cooperation with the licensee. It has provided us enough insights that we believe this is something that we ought to continue to develop, in particular since we are working on developing expertise, that is going to take us about two

years, overall, as it relates to incorporating risk into inspection more broadly.

We also found that the types of data we were looking for and the information that was difficult to collect is, in fact, the information that is going to be available onsite from the maintenance rule. That was a very beneficial finding. So you will recall the maintenance rule requires that they assess the impact on plant risk of all the equipment that is out of service before the voluntarily take something additional out of service. It requires that they collect performance information on availability, reliability at the train level, et cetera. So that type of ongoing activity would make this type of information available and would make the process much easier.

We are going to continue with a level of effort of about two FTE on this over the next one to two years to see if we can better refine the tools and factor this into the pilots we are doing in the maintenance rule.

Slide 24, please.

[Slide.]

MR. RUSSELL: In the area of training and developing our staffs, and particularly the regional staffs, to be able to handle risk insights, we proposed a program to the Commission in SECY 94-181, which was a senior reactor analyst. This position was based upon an individual that

has experience similar to that of a senior resident inspector but is not limited to senior resident inspectors, which would provide PRA training, rotational assignments and on-the-job work experiences over the course of 12 to 18 months such that upon completion of that these individuals would then be available for reassignment to regional positions to function in a role as an asset in the region for assisting in implementation of risk-based inspection techniques in the region.

I hope to send to the EDO within the next two weeks the actual outline of the course work and the information that we would use to advertise these positions to then go into competitive selection for them.

COMMISSIONER ROGERS: When do you think that announcement would be made?

MR. RUSSELL: Hopefully within about two weeks so that we can start the selection process so that the people can be available for starting the training in Chattanooga. The training activities, the background work we have needed to do to design the programs has all been done, and we now have that all available in one place and, in fact, we have completed those activities as it relates to the resident and the senior resident which were described in the same paper, and I have just recently sent those to the EDO. But the senior reactor analyst position is a little bit behind that,

and we expect to present that very shortly.

Slide 25.

[Slide.]

MR. RUSSELL: Improvements in the resident inspector program, this is really focusing on both the residents and the senior residents, and one of the problems or the issues that we observed was that in some cases we had weaker residents and senior residents at facilities which had problems and, as a result, those problems were not identified earlier. It is a contributing factor. I am not putting a burden on the individuals that were there at the time. We just didn't give them all the tools or support, and the docket had sufficient information that we could have identified the problem.

We have concluded that a part of our first line of defense is to improve the experience, knowledge and abilities of the senior residents and the resident inspection force. We have also concluded that this a resource that needs to be closely managed by the senior management in the Agency. So we have established an oversight activity that includes myself, each of the regional administrators and the Deputy EDO.

It will be a panel for monitoring the training program of the individual that go into this program. We are talking about a dedicated program to train and develop a

pool of residents and senior residents who would then be available for reassignment to positions as they come open.

Initially, because of budget constraints, I have proposed a smaller initial pool to the EDO, that is ten residents and ten senior residents. You need to have a sufficient size to justify managing a special training program, but at the same time it has to be recognized in light of budget realities. So while we had initially a more grandiose objective, budget realities have caused me to reconsider.

But this is one where we have established specific profiles, benchmarks, that we are looking at that we will be comparing the current individuals' capabilities and developing tailored development plans with mentors. So we are going to follow this in a process very similar to what we have done with the intern program, and what we have done with the development of managers, with a focused program for about ten residents and ten senior residents.

COMMISSIONER ROGERS: Now these folks are already --

MR. RUSSELL: They may be. These are going to be competed. If it is currently a resident and he wants to get into this program to get the experience and the capabilities so that he is a better senior resident then, yes, we would expect current resident to apply. Then we would do an

inventory of what training, knowledge he has, what qualifications against this objective we have in mind, and develop a tailored plan for that individual that would include rotational assignments, and in the case of senior residents quite a bit of supervisory training explaining how you handle interfaces, dealing with the press, et cetera, to generally improve the capability.

So it would be open. It is going to be a national competition. There will be a screening process that is handled. Each regional administrator, myself and the Deputy EDO will designate an individual to be on that panel to screen those, and then we will make the decision as to who is in that initial group of ten.

But we are looking at giving them some specialized training. We expect if we select the right people into that, they will succeed when they come out of it, and then we ought to have a process to manage that resource afterwards.

CHAIRMAN SELIN: When considering NRR people for specialty jobs, some non-EDO Staff jobs, the question always come up about, everybody seems to have an idea about how they will be treated when they go back to NRR, whether this will be career enhancing or not, and that seems to be the most rapidly communicated item in the Staff. It is very important that we make it clear, I hope you believe this at

least for the next month or two months or so, that you make it clear that residents and senior residents are very important career enhancing positions. That it not be essential that all the senior folks have been residents, but that it would certainly be very helpful because that is going to make the difference between getting the best people to apply for these jobs, you know, folks who have comfortable lives in Rockville aren't going to be anxious to go out and become residents unless they believe it is going to be important to them down the line.

MR. MILHOAN: We are also, as part of this resident program, looking at headquarters positions for those that could benefit from resident and senior resident experience if one of those vacancies go as to look at the rating factors to recognize that experience.

MR. RUSSELL: I would like to have Slide 26, please.

[Slide.]

MR. RUSSELL: This is by way of summary. What we have been through this afternoon is touching on a number of areas which you will be briefed on in-depth. What I would like to characterize is that there are many activities that are ongoing that are consistent with the National Performance Review Phase II. We are going to build upon those and, in addition, we have identified some other areas

where there are potentials for efficiency in how we are conducting our operations.

You are aware of the proposal that we made as it relates to the Security Inspection Program that is currently undergoing partnering with the Agency Labor Management Partnership Committee. We have also recently sent you a paper on the Licensing Program for initial licensing. Those areas and other areas are being considered, and we are developing a number of papers to send to the Commission to identify other areas for potential improvement in how we are handling our processes. These will be documented and rolled up into the National Performance Review II Report and submitted to the Commission, and we are working closely with Jack Rowe and his staff in developing that review.

I think that completes. I don't need Slide 27. So if there are questions?

CHAIRMAN SELIN: First of all, I think this is very good. I mean it really does, on the one hand, illustrate how hard some of these things are, and the second is the dedication and persistence that goes into carrying some of these items out.

I read the transcript or at least the detailed discussion of the last meeting that you had with the industry, and the Vice President's folks seemed to think it was a pretty good meeting, but I didn't. I mean, we really

need industry input on this, and this is talking more to the industry people than to the Staff, they have to do a better job than just come up with the same old chestnuts, you know, sort of polished up and come out again.

You guys are really trying. I was impressed with Mr. Rowe's program as well. These are not easy, and there is a temptation to just sort of fall back on what we do ourselves and forget a little bit about the outside world, but the outside world has to hold up their share, not just come in with every suggestion that they have had in a few years, look at some of these pieces and then really react and say, this is fine.

If we can do some of these things successfully, like the PRA work and the inspection work, that should open up some new opportunities that maybe the industry people never really looked at because they were too far away from being possible.

One of the things that Mr. Rowe's things have to do is to lead to some organizational changes that will be easier to have a more uniform application of the rules, or at least the rules being applied in a way where the differences are based on intrinsic differences in the plans and not just differences in personality, and maybe that will encourage the industry people to think more seriously about how we can get some of this more even application instead of

just complaining that they don't have it.

I think this is serious. I am a little dismayed about how slow the progress is, to tell you the truth, but I hope that as we start picking up some speed that success will lead to success and speed up the program, but it is hard to have a dialogue when only one party is dialoguing and I really do hope that the industry people will read this as I read it as really a very positive set of improvements and it is worth some new thinking on their part as well to see where they think we might put some of these efforts to go on.

So this is very encouraging. It is clearly going to be a long drawn out piece, but some of the things that Mr. Rowe's folks are looking at would not be feasible without these improvements as well. So maybe some of these retail improvements can lead to wholesale improvements a little bit down the road.

Thank you very much.

Mr. Rogers.

COMMISSIONER ROGERS: Yes, a couple of questions. One is, do you have any idea of what the possible impact of contemplating legislation on the Hill would have on what we are doing now, and I know that may be a little bit difficult, but it does seem that it is important, one, that what we are doing get communicated back to interested

parties on the Hill because I think it is very significant, and the other is where there might be some terribly adverse effect on what we are trying to do here by some possible legislative language.

MR. RUSSELL: The dialogue to date has been along the lines of, if the requirement is a burden reduction, then I don't believe that the legislation is going to have a substantial impact and that they are generally in favor of proceeding with rulemaking activities that result in burden reduction.

On the other hand, if you have a package that goes up that has some reductions but, on the other hand, there is some compensating increases, how that is handled and what kind of a process you have to go through for a hybrid approach is something else.

And the third area of areas of additional requirements, where our assessments and experience have shown that some additional requirements are needed and you currently don't have requirements, and I am thinking now of steam generator issues which we handle on a case-by-case basis for technical specifications, if we are successful with a rulemaking activity that redefines the licensing basis for steam generators and what are the performance criteria, and we really get to a more performance-based approach, we would supersede tech specs for a number of

plants that have rather restrictive current licensing basis that are overly restrictive based upon what we know today from a safety standpoint, would that fall into relief or is that something new, and it depends upon who the viewer is. I would expect in some instances, what we might consider is a relief, others might consider it the burden.

So I am waiting and watching, and I think it is going to take some time to see what finally comes out and some experience with applying it, but it has the potential for bogging us down in a number of areas where relief, I think, is needed, and I submit that if we don't get a handle on the steam generator issues soon and get to something that is more performance-based, if we stay with a 40 percent defect criteria for repairing tubes, we are going to be taking a lot of tubes out of service, and we are going to see steam generators coming to the end of life rather earlier than would otherwise be the case, and that is a significant cost issue, and it is one that the industry has not yet focused on.

It makes some of the other things that we are talking about by way of regulatory improvement pale in comparison.

COMMISSIONER ROGERS: At least for PWRs.

MR. RUSSELL: At least for PWRs. You have similar issues with reactor vessel internals on the BWRs. Now,

fortunately, the BWR Owners Group recognizes that and we have been seeing them be very aggressive in addressing those issues which are principally ones of economics. If they have serious cracking, it is going to cost them a lot to address it, and that is outage time. So there they have a vested interest to get on with it. That one seems to be making good progress. I don't see the same progress.

We are hoping to get our generic letter out to provide relief, the final generic letter on outside diameter stress corrosion cracking, within the next two months, but we have a long ways to go on the rulemaking and we are continuing to see plants that are having generating problems that are very significant.

COMMISSIONER ROGERS: I just wanted to say that I thought this was a remarkable briefing, frankly. A few years ago, we had nothing like this really coming together. We had bits and pieces. Obviously the history shows that we started a number of things back some years ago, but it does seem to me that it is beginning to shape up into a comprehensive program that is not just little pieces here and there, but actually it needs to be integrated totally.

One of my earlier questions that I didn't really ask was, how do we integrate some of these activities so that they really all are complementary and moving along in a way that is not duplicative, that we have eliminated

duplication as much as we can within them, and that they are coordinated and support each other. I think you are starting to define a remarkable program here, and it is true that it has taken a while, quite a while, but this organization, it is my view, is very much governed by inertia.

Inertia is hard, it is a big negative to get started, but once it gets going, there is a big flywheel there, and so I wouldn't write that off. We have gotten activities defined now. You have people at work, you have programs. I think the thing to do is to make sure that that is coordinated, managed extremely well, and given the highest priority by this Commission because I think you are doing a terrific job. I think we want to really communicate that.

It looks to me, I agree with the Chairman, that reading over at least the brief minutes or notes of the meeting with the industry folks, I was a bit disappointed in that I seemed to just hear the same kinds of comments that we have heard all along, whereas it seems to me now we are looking for very, very detailed interactive activities with the industry in making this kind of a program really take off. I think they will come forward, but I think we have got to really make sure that we want that from them, that it there has got to be a mutuality here of support to derive

the benefits of what we are trying to achieve here, but I think you are doing a first rate job.

MR. MILHOAN: Thank you.

COMMISSIONER de PLANQUE: Your laundry list of rules in the pipeline reminded me of a conversation I had this morning with Mr. Rowe and his folks about the NPR Initiative, and it reminds me once again that it is equally important to apply the criteria that we are applying to looking at rules already in place to the ones that are coming up in the pipeline, are they really needed, or are they needed in the form that they are being generated, because a lot of times we don't look at this until after they are on the books and we have a problem, and I think it is just as important that we focus on what is down there fermenting and growing and coming forward when we least expect it.

MR. MILHOAN: We agree with you on that.

COMMISSIONER de PLANQUE: And not just in the reactor area, but across the board.

I, too, appreciate the briefing very much. You are doing an excellent job.

CHAIRMAN SELIN: Thank you very much.

[Whereupon, at 3:45 p.m., the briefing was concluded.]

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 STATUS OF REACTOR REGULATORY REFORM INITIATIVES - PUBLIC MEETING

PLACE OF MEETING: Rockville, Maryland

DATE OF MEETING: Tuesday, March 28, 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: Tessa Minson

Reporter: Tessa Minson

REGULATORY REFORM

BURDEN REDUCTION IN REACTOR LICENSING ACTIVITIES

March 28, 1995

Office of Nuclear Reactor Regulation
Office of Nuclear Regulatory Research

OVERVIEW

Recent regulatory improvement initiatives:

- Regulatory Impact Survey (1989)
- CRGR Review (1992)
- Regulatory Review Group (RRG) study (1993)
- RRG Implementation Plan (1994)

National Performance Review II ongoing

OVERVIEW

Institutionalization of regulatory reform:

- **Regulatory Improvement Program (SECY-94-090)**
- **Licensing Activities**
- **Rulemaking Process**
- **Inspection Programs**

REGULATORY IMPROVEMENT PROGRAM

- Regulatory Review Group (RRG) Implementation Plan
- Cost-Beneficial Licensing Actions (CBLAs)
- Marginal-to-Safety Program

RRG IMPLEMENTATION PLAN

- RRG Implementation Plan (SECY-94-003)
  - 66 topic areas recommended by the RRG
  - 5 additional topic areas added by the staff

- Semiannual status report on RRG implementation plan progress
  - 31 topic areas complete; 11 completed since last status report (SECY-94-243)
  - 40 outstanding topic areas; progress made in many areas, but some schedule delays

RRG IMPLEMENTATION PLAN

Examples of items completed

- Issuance of PRA Implementation Plan
- Deletion of reporting requirements
- Changes made to Regulatory Agenda
- Periodic reassessment of need for old/delayed rulemaking
- Issuance of revised fire protection guidance (GL 86-10, Supplement 1)
- Withdrawal of several policy statements

RRG IMPLEMENTATION PLAN

Notable items for which work is ongoing

- Graded QA
- Commercial-grade item definition revisions (Part 21)
- 10 CFR 50.54(p) - security plan changes
- Commitment management
- CBLA Program
- PRA
- Risk-based ISI and IST
- Elimination of unnecessary reporting requirements

RRG IMPLEMENTATION PLAN

Commitment Management

- Develop a commitment change process
- NEI developed draft guidance document
- Pilot program began in 9/94
- NEI commitment change process generally acceptable

RRG IMPLEMENTATION PLAN

10 CFR 50.54(p) Security Plan Changes

- Plan changes that decrease effectiveness require staff review and approval
- Draft generic letter being prepared (4/95 issuance planned)

RRG IMPLEMENTATION PLAN

Elimination of Unnecessary Reporting Requirements

- Revision/deletion of specific reporting requirements
- Assess need to retain other reporting requirements
  - –Program offices to review and confirm needs
  - – Inter-office review panel formed (led by NRR)

MARGINAL-TO-SAFETY PROGRAM

- Proposed, performance-based revisions to containment integrated leak rate testing (Appendix J)
  - $300M to $700M savings to industry with no adverse impact on public safety
- NEI petition for rulemaking on fire protection requirements under review
  - Staff plans parallel work on rule changes and on implementing RG
- Licensees to identify additional requirements marginal-to-safety

LICENSING ACTIVITY INITIATIVES

- CBLA Program
- Standard Technical Specification (STS) Conversions
- Line-Item Improvements to Technical Specifications

CBLA PROGRAM

- CBLAs – license amendments of lower safety significance but with high potential savings
- More NRR management attention and involvement and timely staff review
- Special prioritization
- Administrative Letter 95-02 on CBLAs issued in 2/95
- Public workshop on 4/13/95; to be discussed at the Regulatory Information Conference in 5/95

CBLA PROGRAM

CBLA Data (as of 3/17/95)

Action	TOTAL
Submitted	145
Approved	87
Denied	8
Withdrawn	3
Under review	47
Estimated saving of approved CBLAs*	$410 M

* Savings based on licensee estimates

STS CONVERSIONS

- More efficient use of NRC and industry resources
- Lead plant conversions completed for five units: Crystal River 3, Clinton, Grand Gulf, Hatch 1 and 2
- License amendments for 9 other units scheduled for completion in 1995
- 29 additional units have indicated an intent to convert

LINE-ITEM IMPROVEMENTS TO TS

- Line-item improvement — voluntary TS change based on a safety evaluation applicable to a class of plants; expedited review
- Staff continuing to review plant-specific changes per 7/93 Commission policy statement
- License Amendment Screening Panel identifies potential new line-item improvements
- Line-Item Improvement Management Panel supports screening panel

RULEMAKING PROCESS INITIATIVES

- Revised process for petitions for rulemaking
- Revised Regulatory Analysis Guidelines
- Rulemaking activities under the Regulatory Improvement Program

REVISED PROCESS FOR PETITIONS FOR RULEMAKING

- Proposed revised 10 CFR 2.802 issued for public comment
- Encourages petitioners seeking burden relief to submit complete rulemaking packages to expedite NRC response
- Complete packages given higher priority in processing
- After public comments are analyzed, RG will be developed to provide guidance on what constitutes adequate petitions

REGULATORY ANALYSIS GUIDELINES

- Revised Regulatory Analysis Guidelines are before the Commission (SECY-95-028)
- Require evaluation of safety goal considerations as an early step of analysis
- Proposes improved method for value-impact analysis
  - Regulatory analysis handbook being revised
  - Explicit consideration of offsite costs associated with severe accidents
  - Reconsideration of costs associated with avoiding exposure

INSPECTION PROGRAM INITIATIVES

- Superior Performer Program
- Plant Performance Reviews (PPRs)
- Integrated Performance Assessment Program (IPAP)
- Use of Risk Insights in Inspections
- Improvements in Resident Inspector Program

SUPERIOR PERFORMER PROGRAM

- Goal is to provide positive reinforcement and recognize outstanding licensee safety performance
- Commission recently approved continuing program and changes to the SALP process:
  - Mandatory 24-month SALP period for plants meeting SALP criteria and sustaining superior performance
  - Review to reduce planned inspection resources

PLANT PERFORMANCE REVIEWS

- Objective information of licensee performance evaluated by Region, with NRR involvement, each 6 months
- Information on performance used to revise site inspection plans to focus on areas needing attention
- Regions reviewing processes/procedures for performing PPRs to identify potential improvements

INTEGRATED PERFORMANCE ASSESSMENT PROGRAM

- Tool for Regions to check PPR process and for Headquarters oversight of Regions
- Provides periodic, long-term integration of insights and information on effectiveness of NRC Inspection Program
- Result – tailored inspection process at each site and improved distribution of inspection resources
- Pilots completed; public workshop in 4/95; recommendation to Commission to implement (7/95)

USE OF RISK INSIGHTS IN INSPECTIONS

PRA Implementation Plan (Regulatory Activity 1.3):

- Risk-based results and insights in IPAP pilot trial
  - Risk-based guidance used in 12/94 pilot
  - Utilize in future inspections to evaluate licensee ability to identify and resolve emerging safety issues
- Headquarters support to Regions in risk assessment
  - Rotational assignment opportunities for Regional staff in HQ
  - Use of risk in assessing plant configurations and events

USE OF RISK INSIGHTS IN INSPECTIONS

Formal program to develop PRA expertise in the Regions (SECY-94-181) approved by the Commission:

- Senior Reactor Analyst positions in Regions and Headquarters (in lieu of Team Leader positions)

IMPROVEMENTS IN RESIDENT INSPECTOR PROGRAM

- Dedicated program to train and develop a pool of highly qualified SRIs and Resident Inspectors (SECY-94-181)
- Closer management oversight and involvement

NATIONAL PERFORMANCE REVIEW II

NPR II Part 1 requires review of current regulations; recommendations to the President by 6/95

- **Marginal-to-Safety Program and RRG study resulting in changes to regulations to reduce unnecessary burden for power reactors**
- **For NPR II Part 1, the staff will look more comprehensively to identify opportunities not previously identified**

NATIONAL PERFORMANCE REVIEW II

NPR II Parts 2 and 3 require reengineering our functions and activities

- **Focus on identifying and improving efficiency of those that are most critical and resource-intensive**
- **Staff anticipates excellent opportunities for process efficiency/improvement in performance-based rulemaking**