

Congress of the United States
House of Representatives
Washington, DC 20515

October 29, 1992

Ivan Selin
Chairman
Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852

Good morning Ivan...

I've heard from constituents in the construction business about the cost of test gauge inspection and related regulatory processes administered by the Nuclear Regulatory Commission. I've enclosed copies of their letters and, although we've corresponded previously about well-logging equipment inspections, I still have serious questions about the NRC's "user fees."

First of all, let me say I support user fees to help fund many government activities. When reasonably assessed and based on the value of the product or service, they're a fair way to do things, and most folks don't have a quarrel with it. What I do have grave concerns about, however, is the notion that a \$1,200 fee for a 20- or 30-minute "inspection" bears any real relationship to the actual cost or value of an inspection. A \$380 charge to process a change-of-address request and NRC staff billing rates of \$123 an hour seem excessive, too.

I'd like an explanation why these fees are so high and why, as Mr. Cundy notes, these fees cost more than did the gauge itself. I'd also like to know, in detail, how one arrives at \$2,250 in "materials." It seems to me that if we are really committed to reducing regulatory burden and getting government "off the back" of business, we shouldn't be burdening the little guy with these kinds of monumental fees.

We certainly won't be serving the taxpayer well if we "user fee" these businesses out of the testing business, thereby likely lowering the quality of construction work done for the government and the private sector. And if, as one of my constituents notes, these fees drive more and more of them out of the testing field, won't that result in an ever-increasing spiral to allocate the agency's costs over fewer and fewer licensees?

As you might expect, I'm more than a little disturbed by these figures as laid out by my constituents. I'd like to hear the NRC's answers to these questions, its definition of "user fee" and what basis was used to determine that these fees bore any relationship to the value of the service provided by the NRC -- which is, after all, the basic concept of a "user fee."

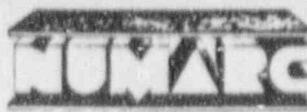
Thank you for your prompt attention to this request.

Best regards,

A handwritten signature in cursive script, appearing to read "Craig".

Craig Thomas
Member of Congress

CT:kb



NUCLEAR MANAGEMENT AND RESOURCES COUNCIL

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Thomas E. Tipton
Vice President & Director
Operations, Management and
Support Services Division

October 14, 1992

Mr. James H. Sniezek
Deputy Executive Director
Nuclear Reactor Regulation
Regional Operations and Research
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Sniezek:

The purpose of this letter is to provide you with the principal lessons learned to date (Enclosure 1) from the Maintenance Rule Industry Guideline V&V program. Also provided is the major project milestones (Enclosure 2) and the results achieved by the NUMARC V&V Ad Hoc Advisory Committee (AHAC) participants through September 25, 1992.

In summary, the V&V program is evaluating the implementation of the Maintenance Rule via industry guidelines by:

- ♦ Selecting structures, systems and components (SSCs) within the scope of the rule;
- ♦ Establishing and implementing a method to identify SSCs that require goal setting and monitoring;
- ♦ Identifying methods for enhancing the safe removal of systems from service;
- ♦ Preparing a report that emulates the evaluation of maintenance performance over a refueling cycle;
- ♦ Identifying documentation needed; and
- ♦ Identifying problems encountered, lessons learned, benefits and estimated costs of implementation.

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Enclosure 1

PRINCIPAL LESSONS LEARNED TO DATE

♦ *EXCLUDING SSCs USED IN EMERGENCY OPERATING PROCEDURES (EOPs) FROM THE SCOPE OF THE RULE*

Some EOPs require actions to be taken for equipment whose only purpose is to protect the owner's investment and does not affect public health and safety. This equipment could be excluded from the scope of the maintenance rule (e.g., one utility's EOPs require the inspection of turbine equipment that is required for long-term recovery). Additionally one utility determined that although mentioned in EOPs, five systems have been excluded from the scope of the rule because they do not provide a significant mitigation function. The industry guideline allows these exclusions; however, in both cases described above appropriate documentation is necessary.

♦ *LACK OF A COMMON DEFINITION OF SSCs*

Some organizations within a utility (e.g. PRA, Engineering, Maintenance and Operations) use different lists of systems and structures to define the plant. A common SSC baseline for organizations within a utility appears appropriate to effectively implement the SSCs within the scope of the rule.

♦ *AVOIDING IMPLEMENTATION AND ENFORCEMENT INTERPRETATIONAL DIFFERENCES*

Structures and systems nomenclature that are used to define the same or similar plant functions within and between NSSS suppliers varies considerably. This lack of commonality causes comparison/classification of systems under the rule and guideline criteria to be difficult. The V&V program will provide a model of each NSSS participant and the methodology for generic identification and comparison. Utilities may find that comparing their results with a unit of the same NSSS type results in implementation consistency and reduces interpretational differences between the utility and the NRC.

♦ *DETERMINING THE APPROPRIATE LEVEL FOR GOAL SETTING AND MONITORING*

Establishing goals and monitoring at the component level instead of the structure, system or train level is not practical by virtue of the volume of components included within the structure or system. For example a system may provide one major function, accomplished by two redundant and one diverse train that contain

through the application of the OE program for lessons learned and to assist in precluding future events.

♦ *DIFFERENCES AMONG UTILITIES OF THE SAME NSSS TYPE*

Based on our initial survey, it appears that several NSSS units of the same type will have a similar functional scoping. However, because of differing system boundaries and plant-specific design, the system lists will differ.

Enclosure 2

MAINTENANCE VERIFICATION AND VALIDATION PROGRAM PLAN AND COST ESTIMATING BASELINE MAJOR PROJECT MILESTONES STATUS

September 1992

Status of Major Steps in V&V Program

1. Identify all structures, systems, and components (SSCs) that are within the scope of the Maintenance Rule. (Complete)
2. Compare the selected SSCs between common NSSS participants and describe differences. (In Process)
3. Compare the selected SSCs between all participating plants and describe differences. (In Process)
4. Identify the method for identifying risk significant criteria for the selection of risk significant SSCs. (Complete - Will test PRA and Delphi methods)
5. Identify the criteria selected for the determination of risk significant SSCs. (Complete)
6. Establish plant level criteria and target trends. (In Process)
7. Identify and verify the methodology for evaluating the performance of standby systems that are risk significant or non-risk significant. (In Process)
8. Develop the criteria for the selection of the SSCs that the V&V program will address and recommend a candidate list. (Complete)
9. Select the SSCs that will be addressed in the V&V program. Note that only a sample of SSCs will be selected with results extrapolated to all SSCs. (Complete)
10. Identify all SSCs included in EOPs. (In Process)
11. Identify EOP categories to be recommended for deletion from the scope of the Maintenance Rule. (See lessons learned/problems encountered)

Major Project Milestones (cont'd)

June 1993	Reg Guide issued by Federal Register Notice
July/August 1993	NUMARC sponsored workshops
1994-1995	NRC pilot inspection program
July 1996	Industry full implementation

Future Activities

V&V program scheduled for completion December 1992.

Public comments on NRC Regulatory Guide to be provided by January 2, 1993.

Based on V&V results/industry input:

- Revise guidance where appropriate; and
- Suggest (or petition) changes to Maintenance Rule.

Program must be implemented in sufficient time to meet the full implementation date of July 10, 1996.

Enclosure 3

VERIFICATION & VALIDATION PROGRAM PARTICIPANTS

Utility Units

Westinghouse

Callaway

Connecticut Yankee

Comanche Peak 1

Combustion Engineering

Calvert Cliffs

ANO Unit 2

Babcock & Wilcox

Crystal River

ANO Unit 1

General Electric

Grand Gulf

Fermi 2

NRC Working Group

EPRI, INPO, NUMARC

CONGRESSIONAL CORRESPONDENCE SYSTEM
DOCUMENT PREPARATION CHECKLIST

This checklist is to be submitted with each document (or group of
Qs/As) sent for filing into the CCS.

1. BRIEF DESCRIPTION OF DOCUMENT(S) Rep. Craig Thomas
2. TYPE OF DOCUMENT ☒ Correspondence ☐ Hearings (Qs/As)
3. DOCUMENT CONTROL ☐ Sensitive (NRC Only) ☐ Non-sensitive
4. CONGRESSIONAL COMMITTEE and SUBCOMMITTEES (if applicable)

_____ Congressional Committee

_____ Subcommittee

5. SUBJECT CODES

- (a) _____
- (b) _____
- (c) _____

6. SOURCE OF DOCUMENTS

- (a) _____ 5520 (document name) _____
- (b) ☒ Scan- (c) ☒ Attachments
- (d) _____ Rekey (e) _____ Other _____

7. SYSTEM LOG DATES

- (a) 12/2/92 Date OCA sent document to CCS
- (b) _____ Date CCS receives document
- (c) _____ Date returned to OCA for additional information
- (d) _____ Date resubmitted by OCA to CCS
- (e) _____ Date entered into CCS by _____
- (f) _____ Date OCA notified that document is in CCS

8. COMMENTS

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