



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

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MAR 25 1985

MEMORANDUM FOR: Ralph M. Wilde, Program Assistant to the Director
Division of Fuel Cycle and Material Safety
Office of Nuclear Material Safety and Safeguards

FROM: Edwin G. Triner, Director
Division of Budget and Analysis
Office of Resource Management

SUBJECT: THE COST ANALYSIS GROUP'S (CAG) COMMENTS ON THE REGULATORY
IMPACT ANALYSIS OF THE PROPOSED REVISIONS TO 10 CFR 73.71 --
REPORTING OF SAFEGUARDS EVENTS

Please find attached CAG's comments on the regulatory impact analysis portion of the Revisions to 10 CFR 73.71 -- Reporting of Safeguards Events. The analysis clearly shows cost reductions to both the NRC and industry resulting from the proposed revisions. Our review concludes that no major changes are required. However, there are some recommendations we offer which may be of use, even to your future impact analyses.

Should you have any questions concerning this review, please contact Brian Richter, X 27770.

Edwin G. Triner, Director
Division of Budget and Analysis
Office of Resource Management

Attachment:
As stated

cc w/attachment:
L. Barry, RM

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THE COST ANALYSIS GROUP'S (CAG) COMMENTS
ON THE REGULATORY IMPACT ANALYSIS
OF THE PROPOSED REVISIONS TO
10 CFR 73.71 -- REPORTING OF SAFEGUARDS EVENTS

Prepared by:
COST ANALYSIS GROUP
OFFICE OF RESOURCE MANAGEMENT

U.S. Nuclear Regulatory
Commission



THE COST ANALYSIS GROUP'S (CAG) COMMENTS ON THE
REGULATORY IMPACT ANALYSIS OF THE
PROPOSED REVISIONS TO 10 CFR 73.71 -- REPORTING OF SAFEGUARDS EVENTS

This report is a review of the cost analysis portion of NMSS's value impact analysis of the Proposed Revisions to 10 CFR 73.71 -- Reporting of Safeguards Events. The report is provided under the direction of the Cost Analysis Group's (CAG) Charter.

The value impact analysis clearly shows cost reductions to both the NRC and industry resulting from the proposed revisions. Our review concludes that no major changes are required. There are, however, some recommendations we offer which may be of use, even to future value impact analyses.

First, there exist two handbooks which should be followed when preparing a value impact analysis. One is "A Handbook for Value-Impact Assessment," NUREG/CR-3568, and the other is "A Handbook for Cost Estimating," NUREG/CR-3971. Second, the analysis assumes there exist 48 sites. According to "Licensed Operating Reactors," NUREG-0020, Vol. 8, No. 12, December 1984, there are presently 85 operating power reactors on 56 sites. We understand that your analysis of total industry cost is dependent upon the total number of industry reports made to the NRC, not the number of sites, hence this modification will have no change on your "bottom-line" estimate. Fourth, in confirming your calculations, we were unable to replicate one estimate. On Page 3, under Log Entries, you report the Industry cost/year to be \$17.4K. We calculate the value to be \$18K, but this has no significant impact on your results. Last, while paperwork cost burden is adequately addressed in the cost analysis, a specific statement should be included under 2. Statutory Considerations.