

APR 30 1997

TRANSMITTAL OF STATE PROGRAM INFORMATION (SP-97-030)

Your attention is invited to the enclosed correspondence which contains:

INCIDENT AND EVENT INFORMATION.....
PROGRAM MANAGEMENT INFORMATION..... FINAL DECISIONS ON THE
16 STRATEGIC ASSESSMENT
ISSUES
TRAINING COURSE INFORMATION.....
TECHNICAL INFORMATION.....
OTHER INFORMATION.....

Supplementary information: Supplementary information: On April 2, 1997, the NRC released to the public the Commission's decisions on eight direction-setting issues (DSIs), 2, 4, 5, 6, 7, 10, 13 and 14. In addition, on April 23, 1997, the NRC released to the public the entire set of the Commission decisions on all 16 DSIs. Copies of the April 2 and April 23 press releases along with the Commission decisions on the 16 DSIs are enclosed.

If you have any questions regarding this correspondence, please contact me or the individual named below.

POINT OF CONTACT: Cardelia Maupin
TELEPHONE: (301) 415-2312
FAX: (301) 415-3502
INTERNET: CHM@NRC.GOV

Original Signed By:
PAUL H. LOHAUS

Paul H. Lohaus, Deputy Director
Office of State Programs

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ALL AGREEMENT STATES
OHIO, OKLAHOMA, PENNSYLVANIA
STATE LIAISON OFFICERS

TRANSMITTAL OF STATE AGREEMENTS PROGRAM INFORMATION (SP-97-)

Your attention is invited to the enclosed correspondence which contains:

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PROGRAM MANAGEMENT INFORMATION..... DECISIONS ON THE ENTIRE 16
STRATEGIC ASSESSMENT
ISSUES

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TECHNICAL INFORMATION.....

OTHER INFORMATION.....

Supplementary information: On April 23, 1997, the NRC released to the public the Commission decisions on the 16 direction-setting issues (DSIs). A copy of the press release along with the Commission decisions on DSIs 2, 4, 5, 6, 7, 10, 13, and 14 are enclosed.

If you have any questions regarding this correspondence, please contact me or the individual named below.

POINT OF CONTACT: Cardelia Maupin
TELEPHONE: (301) 415-2312
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Paul H. Lohaus, Deputy Director
Office of State Programs

Enclosures:
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DATE	04/24/97	04/25/97	04/ /97				

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

April 30, 1997

ALL AGREEMENT STATES
OHIO, OKLAHOMA, PENNSYLVANIA
STATE LIAISON OFFICERS

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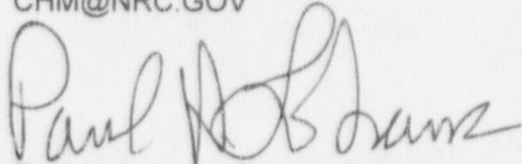
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Paul H. Lohaus, Deputy Director
Office of State Programs

Enclosures:
As stated

United States Nuclear Regulatory Commission
Office of Public Affairs
Washington, DC 20555
Phone 301-415-8200 Fax 301-415-2234
Internet: opa@nrc.gov

No. 97-056

FOR IMMEDIATE RELEASE
(Wednesday, April 2, 1997)

NRC RELEASES FINAL DECISIONS ON STRATEGIC ASSESSMENT ISSUES

The Nuclear Regulatory Commission has issued final decisions on eight of the 16 direction-setting issues (DSIs) which are part of its strategic assessment and rebaselining initiative. Commission decisions have been made on the following issues:

- Oversight of the Department of Energy (DSI 2)
- NRC's Relationship with Agreement States (DSI 4)
- Low-Level Waste (DSI 5)
- High-Level Waste and Spent Fuel (DSI 6)
- Materials/Medical Oversight (DSI 7)
- Reactor Licensing for Future Applicants (DSI 10)
- The Role of Industry (DSI 13)
- Public Communications Initiatives (DSI 14)

Chairman Shirley Ann Jackson initiated the strategic assessment in 1995 to provide a solid foundation for the agency's direction and decision-making as it positions itself for current and future challenges. The Commission arrived at these decisions after meetings and discussions with the staff and after considering comments received from interested individuals during three public conferences in Washington, D.C., Colorado Springs, Colorado, and Chicago, Illinois.

The agency will use these decisions in developing a strategic plan that will encompass the agency's priorities, mission and goals. Decisions on the remaining issues will be released to the public five days after they are completed.

Copies of all decisions will be available at NRC's Public Document Room, 2120 L Street, N.W., Washington, D.C., 20037, telephone (1-800-397-4209) and electronically on our internet home page (<http://www.nrc.gov/OPA/>)

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United States Nuclear Regulatory Commission
Office of Public Affairs
Washington, DC 20555
Phone 301-415-8200 Fax 301-415-2234
Internet: opa@nrc.gov

No. 97-065

FOR IMMEDIATE RELEASE
(Wednesday, April 23, 1997)

NRC RELEASES FINAL DECISIONS ON ALL STRATEGIC ASSESSMENT ISSUES

The Nuclear Regulatory Commission has released the entire set of decisions on 16 direction-setting issues (DSIs) which are part of the agency's strategic assessment and rebaselining initiative. Decisions were made in the following areas:

- Oversight of the Department of Energy (DSI 2)
- NRC's Relationship with Agreement States (DSI 4)
- Low-Level Waste (DSI 5)
- High-Level Waste and Spent Fuel (DSI 6)
- Materials/Medical Oversight (DSI 7)
- Decommissioning - Non Reactor Facilities (DSI 9)
- Reactor Licensing for Future Applicants (DSI 10)
- Operating Reactor Program Oversight (DSI 11)
- Risk-Informed, Performance-Based Regulation (DSI 12)
- The Role of Industry (DSI 13)
- Public Communications Initiatives (DSI 14)
- International Activities (DSI 20)
- Fees (DSI 21)
- Research (DSI 22)
- Enhancing Regulatory Excellence (DSI 23)
- Power Reactor Decommissioning (DSI 24)

Chairman Shirley Ann Jackson initiated the strategic assessment in 1995 to provide a solid foundation for the agency's direction and decision-making as it positions itself for current and future challenges. The Commission arrived at these decisions after meetings and discussions with the staff and after considering comments received from interested individuals during three public conferences in Washington, D.C., Colorado Springs, Colorado, and Chicago, Illinois.

The agency will use these decisions in developing a strategic plan that will encompass the agency's priorities, mission and goals.

Copies of all decisions are available at NRC's Public Document Room, 2120 L Street, N.W., Washington, D.C., 20037, telephone (1-800-397-4209) and electronically on our internet home page (<http://www.nrc.gov/NRC/strategy.html>)

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SECRETARY

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

March 28, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

Karen D. Cyr
General Counsel

Ronald Scroggins
Acting Chief Financial Officer

FROM: John C. Hoyle, Secretary *VPBait for*

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-053 -
OVERSIGHT OF THE DEPARTMENT OF ENERGY (DSI 2)

The Commission endorses NRC taking responsibility for the regulatory oversight of certain DOE nuclear facilities, as recently proposed by DOE, contingent on adequate funding, staffing resources, and a clear delineation of the authority the NRC will exercise over facilities. This is a departure from the Commission's preliminary decision in which the Commission favored taking no position on the issue.

The Commission now favors NRC's oversight of DOE facilities based on DOE's decision to seek the transfer of regulatory oversight of selected DOE facilities to the NRC and also on the strong public support during the comment period for this proposal. In its comments on the Commission's preliminary decision, many of the public commenters foresaw enhanced safety and stability with a single set of standards and requirements, a safety culture being developed within DOE that is comparable to the commercial industry, the elimination of the conflict of self-regulation, and other benefits resulting from NRC's oversight of DOE's nuclear facilities. The Commission also believes that it would be preferable if implementing legislation or interagency agreements, or both, designate radiation protection as within the scope of NRC's jurisdiction and oversight of the selected DOE facilities. The staff should work with DOE and OSHA to address this issue.

Since it does not appear that any of the options in the original DSI paper match the proposal being made by DOE in its Working Group Report, the Commission believes that it is best for the Commission to endorse the external regulation of DOE by the NRC, subject to the conditions noted in the first paragraph using the

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following guidance.

The Commission recognizes that there are likely to be many significant legal, procedural, and technical issues which must first be identified and thoroughly considered and resolved prior to accepting oversight responsibility for any DOE facility. To carry out the Commission's decision on this issue, the staff should convene a high-level NRC Task Force that will identify, in conjunction with DOE, the policy and regulatory issues needing analysis and resolution. The Task Force should be comprised of members from OGC, CFO, NMSS, NRR, RES, OE, and OCA at a minimum.

A non-exhaustive set of such issues that should be considered by the Task Force are:

- (1) the legislative language laying out the scope of NRC's regulatory oversight and the extent of its authority, the relationship with other regulatory agencies, and the effect of existing statutes on the NRC oversight of DOE defense facilities,
- (2) the initial identification of DOE facilities, activities, and issues that would be subject to NRC oversight,
- (3) the potential schedule for transition of the identified facilities, activities, and issues to NRC oversight,
- (4) a realistic assessment of the financial and personnel resource needs for NRC oversight, and
- (5) an assessment of the various methods of funding NRC oversight, including evaluations as to whether direct appropriations or regulatory fees paid by DOE contractors would be appropriate.

The Task Force should periodically (at least quarterly) inform the Commission of its findings and the status of its work and seek the Commission's approval or guidance on proposed resolution of the issues that have been identified.

Independent of DOE, the Task Force should provide an initial consideration of technical/regulatory issues related to external regulation of DOE, and the potential methods (e.g., licensing, certification) of regulating the identified DOE activities and how the transition will be made from the current DOE order system, implemented by contract clauses, to the NRC regulatory framework. The Task Force should assess the details and ramifications of the DOE Working Group Report and advise the Commission on policies, procedures, and approaches to the issues that are identified.

Among the technical and programmatic issues that will need to be resolved prior to implementation are those that were identified by Commissioner Rogers in his January 17, 1997 memorandum on this subject, the DOE Working Group Report issued in December 1996, and the public comments received regarding NRC regulation of DOE activities.

Additional issues that the staff should consider include, but are not necessarily limited to, the DOE proposal to retain regulatory authority on security and safeguards, at least initially; the relationship with other regulators of DOE facilities, including the need for MOUs or other arrangements with such regulators as OSHA, EPA, DNFSB, and the States and a discussion of the "lead agency" concept propounded by DOE; the means of enforcement of the NRC regulatory framework, especially at facilities where responsibility is shared between DOE and its contractors; the role of NRC in decontamination and decommissioning of DOE facilities; the use of the 10 CFR 2.206 petition mechanism or "citizen suits" under the NRC regulatory framework; and the possible regulation of NARM and accelerators by NRC.

The staff should also initiate the development of an MOU with DOE that establishes the framework for the legislative and follow-on phases of the project. The staff should also seek to obtain the necessary budgetary resources for the legislative phase of this project from DOE and staffing resources via any necessary relief from personnel ceilings from OMB for both the legislative phase and the longer term.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
D. Rathbun (OCA)
H. Bell (OIG)
A. Galante (CIO)
W. Beecher (OPA)
E. Jordan (SARSC)
J. Silber (SARSC)



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

March 19, 1997

MEMORANDUM TO:

L. Joseph Callan
Executive Director for Operations

Karen D. Cyr
General Counsel

Ronald Scroggins
Acting Chief Financial Officer

FROM:

John C. Hoyle
John C. Hoyle, Secretary

SUBJECT:

STAFF REQUIREMENTS - COMSECY-96-054 - NRC's
RELATIONSHIP WITH AGREEMENT STATES (DSI 4)

The Commission continues to support its preliminary view to continue the current Agreement States Program, including adopting current initiatives (Option 3), subject to the following additions and modifications.

With regard to the funding of Agreement State travel, training, and technical assistance, the Commission modifies the present policy to allow NRC funding of such costs in those instances where Agreement States demonstrate that state funds are not available or cannot be used for these purposes. The staff should develop criteria, for the Commission's consideration, for making this determination. The criteria should be stringent enough to provide adequate assurance to the Commission that the state has thoroughly explored funding alternatives available to the state and a determination by a high ranking state official (e.g., state agency head or chief financial officer) has been made that funds are not available. In such cases, states should also explore partial funding of costs. Such an approach must be designed to ensure that such certifications are not "pro forma" and that use of NRC-licensee funds for these purposes are in the public interest. The staff's proposals should provide for funding and should be provided to the Commission in a time frame that would allow implementation of the modified policy beginning in FY-98. Otherwise, training should be made available on a "space available" basis with Agreement States funding their own travel and per diem costs.

Staff should develop guidance for offering assistance to states on a case-by-case basis that would help the states' agencies

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identify and clarify their training needs to their appropriate authorities, e.g., the State Cabinet Secretary or legislative body. NRC should be prepared to offer such help (e.g., a letter) if requested by the Agreement States.

The staff should also examine cost-effective alternatives for providing training and technical assistance to Agreement States. The staff should provide the Commission with a report on available alternatives and recommendations for assuring that NRC training and technical assistance are provided in a cost-effective manner.

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Public comment on the use of seed money or other tangible benefits to encourage states to become Agreement States did not support the concept. The Commission finds that the use of such incentives is inappropriate and inconsistent with the intended role of the NRC as it fulfills its mission under the Atomic Energy Act. The Commission believes that the NRC should continue to respond to incoming requests from individual States that express an interest in pursuing Agreement State status and work with each State to achieve this goal.

For the longer term, the NRC should request Congress to enact legislation that would exclude Agreement State funding from NRC's user fee base and provide a separate appropriation to cover these costs. It is the Commission's view that the Agreement States themselves should be more proactive on this matter. Moreover, to the degree that funding for the Agreement States program remains in the user fee base, the Agreement States should be more forthcoming with methodologies for bearing a larger share of the costs.

In the absence of specific comments on the related issue of whether to continue NRC's Independent Radiation Monitoring Program (IRMP), the Commission requests that the staff evaluate the cost effectiveness of the program and make recommendations on the pros and cons of continuing with the program.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
D. Rathbun (OCA)
H. Bell (OIG)
A. Galante (CIO)
W. Beecher (OPA)



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

March 7, 1997

OFFICE OF THE
SECRETARY

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: *John C. Hoyle*
John C. Hoyle, Secretary

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-055 - LOW-
LEVEL WASTE (DSI 5)

The Commission no longer supports its preliminary view of Option 2, but does support Option 3 to maintain the current low-level waste program. The Commission selects this option with the understanding that if NRC is given responsibility for the external regulation of DOE facilities, the NRC's low-level waste program may begin to grow at a commensurate rate, funded through an appropriate mechanism which supports any additional FTE required. Resources to carry out such increased responsibilities should be provided after a statute to implement such a regulatory role for NRC is enacted. The funding mechanism for NRC low-level waste activities associated with the external regulation of DOE should be addressed in any enabling legislation or appropriations language deriving from that legislation.

In carrying out Option 3, the staff should make every effort to maintain the core technical disciplines needed to assess low-level waste disposal issues, but these technical experts should be utilized in other NRC programs as appropriate.

Public comment received on DSI 5 indicated a significant interest in NRC's position on the concept of "assured storage". The Commission sees no reason to alter its current position of neutrality on this matter. The Commission continues to support the position that was set forth in a letter from Chairman Jackson to Mr. David Leroy dated May 9, 1996 on this concept.

Agreement State comments on the draft branch technical position (BTP) on performance assessment of LLW sites stated that the BTP is "unnecessary and disruptive." The staff should inform the Commission how it plans to resolve such comments prior to a decision to finalize the BTP.

97030459

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
K. Cyr (OGC)
D. Rathbun (OCA)
H. Bell (OIG)
A. Galante (CIO)
R. Scroggins (CFO)
W. Beecher (OPA)
E. Jordan (SARSC)
J. Silber (SARSC)



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

OFFICE OF THE
SECRETARY

March 17, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: *John C. Hoyle*
John C. Hoyle, Secretary

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-056 - HIGH-
LEVEL WASTE AND SPENT FUEL (DSI 6)

The Commission continues to endorse its preliminary view to maintain NRC's existing high-level waste program (Option 3). This approach will enable the NRC to keep pace with the national high-level radioactive waste program at whatever level is appropriate. As stated in its preliminary views, the Commission will revisit this issue if, and when, the Congress provides further legislation on this matter. Additionally, the Commission strongly supports NRC's fiscal year 1998 budget request of \$17 million so that all 10 key technical issues can be addressed in time for the 1998 viability assessment performed by the Department of Energy on the Yucca Mountain site.

On the related issues in the paper, the staff should identify any revisions to NRC's regulatory process that may be needed to deal efficiently with dual-purpose (storage and transportation) spent fuel canister license applications especially in light of the fact that DOE has proposed in its FY 99 budget submission to complete its program on this matter. The issue of on-site storage of greater than class C waste (GTCC) for Part 72 licensees was raised in this Direction-Setting Issue as well as DSI 24, "Power Reactor Decommissioning." Specific direction to the staff on this issue is provided in the SRM on DSI 24..

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cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
K. Cyr (OGC)
D. Rathbun (OCA)
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A. Galante (CIO)
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E. Jordan (SARSC)
J. Silber (SARSC)



SECRETARY

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

March 20, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations
FROM: *John C. Hoyle*
John C. Hoyle, Secretary
SUBJECT: STAFF REQUIREMENTS - COMSECY-96-057
MATERIALS/MEDICAL OVERSIGHT (DSI 7)

With respect to the overall materials program, the Commission continues to support its preliminary views on this issue which were a combination of two options -- Continue the Ongoing Program with Improvements (Option 2) and Decrease Oversight of Low-Risk Activities with Continued Emphasis in High-Risk Activities (Option 3). For the longer term, the Commission also believes that consideration should be given to broadening NRC's regulatory oversight to include one or more of the higher-risk activities identified in Option 1.

With respect to the medical program, the Commission was not persuaded by the National Academy of Sciences, Institute of Medicine (IOM) report that recommends that NRC should not be the Federal agency involved in the regulation of ionizing radiation in medicine. The Commission continues to believe that the conclusions in the report were not substantiated and that the recommendations should not be pursued.

The Commission continues to support the use of ACMUI and professional medical organizations and societies in developing regulatory guides and standards as was proposed in the Commission's preliminary views. In the longer term, the Commission would be willing to consider taking on broader regulatory responsibilities for higher risk activities involving other sources of ionizing radiation but such efforts should not divert resources from the 10 CFR Part 35 rulemaking discussed below.

In lieu of a rulemaking plan in the context of Management Directive 6.3 the staff should submit a program for Commission approval for revising 10 CFR Part 35, and associated guidance documents, and the Commission's 1979 Medical Policy Statement, if necessary. The program should describe how 10 CFR Part 35 can be restructured into a risk-informed, more performance-based regulation by a suspense date of 6/30/99. In developing the program the staff should consider the following:

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- (1) Focusing Part 35 on those procedures that pose the highest risk.
- (2) For diagnostic procedures, staff should consider regulatory oversight alternatives consistent with the lower overall risk of these procedures.
- (3) The staff should address how best to capture not only relevant safety-significant events, but also precursor events.
- (4) Changing the nomenclature from "misadministration" to "medical event" or comparable terminology.
- (5) Part 35 should be redesigned so that it can incorporate necessary regulatory requirements for new treatment modalities in a timely manner.
- (6) The Quality Management Program provisions (10 CFR Part 35.32) should be re-evaluated and revised to focus on those requirements that are essential for patient safety, e.g., confirming patient identity, requiring written prescriptions and verifying dose. To the maximum extent possible, the requirements should be revised to be risk-informed. Given this objective, a mixed approach of performance-based rules and otherwise prescriptive regulations should be pursued.
- (7) The staff should consider the viability of using or referencing available industry guidance and standards within Part 35 and related guidance to the extent that they meet NRC needs.
- (8) The staff should consider a rulemaking process that provides more opportunity for input from potentially affected parties than is provided by the normal notice and comment rulemaking process but would be less consumptive of resources and time than the process recently used in the development of NRC's rule on radiological criteria for license termination.

The staff's program to implement the above should be submitted to the Commission for its consideration no later than June 6, 1997. The program should target June 30, 1999 as the date for completing the rulemaking process. This rulemaking and associated guidance development is a very high priority for the Commission. The Commission is prepared to provide additional resources to the extent necessary to complete the rulemaking process on this schedule.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
K. Cyr
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ALL AGREEMENT STATES
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Original Signed By:
PAUL H. LOHAUS

Paul H. Lohaus, Deputy Director
Office of State Programs

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OSP FILE CODE: SP-A-4 SP-O-12

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

March 31, 1997

MEMORANDUM TO:

L. Joseph Callan
Executive Director for Operations

FROM:

John C. Hoyle
John C. Hoyle, Secretary

SUBJECT:

STAFF REQUIREMENTS - COMSECY-96-058 -
DECOMMISSIONING - NON REACTOR FACILITIES,
(DSI 9)

The Commission continues to support its preliminary views on this issue which, subject to the Commission's modifications as set forth in the preliminary view, was the selection of a combination of options including: (1) Change the Decommissioning Process [Option 2]; (2) Focus on Decommissioning Cases in which progress can be made [Option 6]; (3) Take an Aggressive Position to Develop Regulatory Frameworks for Lower Cost Decommissioning Waste Disposal Options [Option 7]; and (4) Develop a Strong Litigation Strategy [Option 8].

In its preliminary views on this issue, the Commission had directed the staff to include in the pilot program under Option 2 only those licensees who (1) volunteer for the program and (2) the staff finds suitable for the pilot program. The Commission believes that the pilot program should be designed to be capable of identifying those licensee attributes that are important in deciding which licensees should be allowed to participate in the pilot program. Specifically, the Commission directs the staff to consider the following as potential criteria for making determinations on the suitability of a licensee for the pilot program. First, the licensee should be technically capable and adequately funded and second, the licensee's site should be minimally contaminated, not complex, and undergoing only routine decommissioning activities. The staff should provide a status report on this effort by June 15, 1998 or sooner if circumstances warrant.

The staff should sponsor a workshop in connection with the pilot program to make sure that candidates for the pilot program know what NRC expects of the licensees. The Commission's preliminary view had further guidance on this matter.

The staff should continue to evaluate any new and different

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approaches to the decommissioning review process as they are presented. One such process is to adopt an approach that requires a decommissioning plan with supporting data and information that is commensurate with the complexity and risk associated with the site to be decommissioned. The Commission further directs the staff to consider how implementation of this simplified review process could also enhance the review process for routine sites being decommissioned other than SDMP sites.

Regarding Options 4 and 9, the Commission does not believe that the Superfund approach would be an effective tool for the NRC to oversee decommissioning activities.

With regard to Option 6, the Commission believes that referral to EPA should be a last resort, should be approved by the Commission, and should be used only in those circumstances where EPA agrees that the remedies that it will bring to bear have a higher probability of success in terms of achieving cleanup.

Finally, the SRM on DSI 21 addresses the fact that many NRC costs for site decommissioning management plan activities are not recoverable under Part 170 fees, and as such, the NRC should attempt to move these costs outside the fee base to a direct appropriation.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
K. Cyr
D. Rathbun
H. Bell
A. Galante
R. Scroggins
W. Beecher



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

March 18, 1997

MEMORANDUM TO:

L. Joseph Callan
Executive Director for Operations

FROM:

John C. Hoyle
John C. Hoyle, Secretary

SUBJECT:

STAFF REQUIREMENTS - COMSECY-96-059 -
STRATEGIC ASSESSMENT ISSUE PAPER: REACTOR
LICENSING FOR FUTURE APPLICANTS (DSI 10)

The Commission recognizes that fundamental economic decisions by license applicants will determine the level of support necessary for the licensing of future reactors. The staff should continue to give priority for reviewing standard and advanced reactor designs, early site approvals, and new reactor license applications to the extent that external funding is available. The current staff priority should be on the completion of the design certification for the Westinghouse AP-600.

The staff should begin an orderly closeout of design certification activities with an evaluation of lessons learned. There should be some continuation of work on post-design certification issues such as those in NEI's "Regulatory Issue Resolution Plan," and others as appropriate based on public comment.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
K. Cyr (OGC)
D. Rathbun (OCA)
H. Bell (OIG)
A. Galante (CIO)
R. Scroggins (CFO)



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

March 18, 1997

MEMORANDUM TO:

L. Joseph Callan
Executive Director for Operations

FROM:

John C. Hoyle
John C. Hoyle, Secretary

SUBJECT:

STAFF REQUIREMENTS - COMSECY-96-059 -
STRATEGIC ASSESSMENT ISSUE PAPER: REACTOR
LICENSING FOR FUTURE APPLICANTS (DSI 10)

The Commission recognizes that fundamental economic decisions by license applicants will determine the level of support necessary for the licensing of future reactors. The staff should continue to give priority for reviewing standard and advanced reactor designs, early site approvals, and new reactor license applications to the extent that external funding is available. The current staff priority should be on the completion of the design certification for the Westinghouse AP-600.

The staff should begin an orderly closeout of design certification activities with an evaluation of lessons learned. There should be some continuation of work on post-design certification issues such as those in NEI's "Regulatory Issue Resolution Plan," and others as appropriate based on public comment.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
K. Cyr (OGC)
D. Rathbun (OCA)
H. Bell (OIG)
A. Galante (CIO)
R. Scroggins (CFO)



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

March 25, 1997

SECRETARY

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations
FROM: *John C. Hoyle*
John C. Hoyle, Secretary
SUBJECT: STAFF REQUIREMENTS - COMSECY-96-060 -
OPERATING REACTOR PROGRAM OVERSIGHT (DSI 11)

The staff should continue with the ongoing comprehensive review and systematic re-examination of the areas of licensing, inspection, and performance assessment to identify areas for improvement, implement corrective actions, and verify their effectiveness. This should include development of mechanisms to provide for systematic re-examination of the reactor oversight program to ensure its continued effectiveness and to maximize agency learning in response to emerging issues. The application of lessons learned will be key to improvement. The lessons-learned from these reviews must be applied across the industry, where appropriate, and must be verified for effectiveness. The lessons learned, however, must be developed considering both recent events and historic events to make the best use of the full breadth of NRC's regulatory experience.

The staff should be proactive by considering, in a systematic way, how the changes in the regulatory environment might affect future reactor oversight. Currently, the changes in the regulatory environment involve issues such as economic deregulation.

The staff should proceed to develop objective standards to measure licensee performance that reduces subjectivity and establishes an understandable level of performance expectations. Also, the staff should improve application of early indicators of declining performance to reduce reliance on event driven assessments.

The staff should pursue new approaches which can be used to improve the regulatory process. To this end, the staff should encourage industry involvement in the development of generic guidelines and input into the regulatory process. The Commission notes that use of the industry to develop generic guidelines for NRC consideration does not automatically predispose the Commission to acceptance. Independence and focus on the safety

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mission should remain paramount so that the NRC maintains effective, independent regulation. In addition, the staff should expand the use of technology to improve the efficiency of the licensing and inspection processes where feasible and appropriate. The staff should proceed with efforts to establish an objective standard(s) for the application of risk-informed and performance-based regulation. The staff should consider any relevant knowledge developed in the implementation of the maintenance rule.

The staff should continue the existing process for providing flexibility of staffing in the resident inspector program to enable, when necessary, distribution of NRC inspection resources on the basis of licensee performance. The staff should develop data regarding the past and present demographics of the NRC's resident inspector population with respect to experience and qualifications to ensure that the Commissions's policies have resulted in a stable or improving resident program. The staff should also develop a paper for Commission consideration that discusses the balance between maintaining objectivity and continuity of expertise and experience in determining the appropriate length of assignments for NRC staff members who have frequent interactions with the licensees.

The staff's plan to implement this DSI should be coordinated with the plans to implement DSI 12 and DSI 13 to ensure that the implementation plans are mutually compatible and do not create duplicate activities. The staff should also include consideration of the comments received, particularly the comments that highlight the enforcement policy, and the need for improving the rulemaking and hearing processes.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CIO
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OCA
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E. Jordan (SARSC)
J. Silber (SARSC)



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

April 15, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

Karen D. Cyr
General Counsel

FROM: *Annette L. Vietti-Cook*
Annette L. Vietti-Cook, Acting Secretary

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-061 - RISK-
INFORMED, PERFORMANCE-BASED REGULATION
(DSI 12)

The Commission recognizes that, in order to accomplish the principal mission of the NRC in an efficient and cost-effective manner, it will in the future have a regulatory focus on those licensee activities that pose the greatest risk to the public. This can be accomplished by building upon probabilistic risk assessment (PRA) concepts, where applicable, or other approaches that would allow a risk-graded approach for determining high- and low-risk activities. In general, those activities that are of a higher risk should be the primary focus of the agency's efforts and resources. The level of staff activity associated with lower risk activities should be determined based on a consideration of the cumulative impacts on safety, stakeholder initiatives and burden reduction, and the effect on agency and licensee efficiency. The Commission continues to believe that the use of PRA technology should be increased in all regulatory matters to the extent supported by the state-of-the-art in PRA methods and data and in a manner that complements the NRC's deterministic approach and supports the NRC's traditional defense-in-depth philosophy. The risk insights could be used to reduce unnecessary regulatory burdens as well as to identify areas where requirements should be increased.

The staff should continue with the current efforts, in cooperation with the industry (Option 1), including pilot programs. The objective of this initiative is to obtain additional information regarding the appropriateness of a risk-informed, performance-based approach for the subject activities. Those activities and their schedule, are presently captured in the agency's PRA Implementation Plan. As data from performance monitoring of structures, systems and components are accumulated, the staff should evaluate the performance data to determine the effectiveness of the approach on the subject activity. The staff

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should evaluate and clarify any technical and/or administrative issues associated with performance-based approaches to regulation (e.g., inspection activities, enforcement, etc.). Also, OGC's analysis of litigative risks requested in the Staff Requirements Memorandum on SECY-96-218 should be factored into future determinations and guidance on the extent to which the NRC implements risk-informed performance-based regulation.

(EDO/OGC)

(SECY Suspense: 8/29/97)

The staff should proceed in the direction of enhancing the PRA Implementation Plan (i.e., moving towards implementation of elements of option 3) by building on the Regulatory Review Group's (RRG) results, which were initially focused on reducing the regulatory burden, with a more focused assessment of those regulations which are amenable to a risk-informed, performance-based or a risk-informed less prescriptive approach. In determining the priority and scope of regulatory activities to be included in moving in the direction of partial implementation of Option 3, the staff should consider the cumulative impacts on safety, stakeholder initiatives and burden reduction, and the effect on NRC and licensee efficiency. To minimize use of resources in any fresh look at the RRG results, such a review should be simply incorporated into the semiannual updates of the Commission's Rulemaking Activity Plan.

(EDO)

(SECY Suspense: 8/1/97)

The staff should also reexamine the applicability of its risk-informed, performance-based or risk-informed less prescriptive approaches with regard to nuclear material licensees and to high level waste issues, to ensure that the needs of those licensees and those areas receive adequate consideration. The staff should perform a review of the basis for nuclear materials regulations and processes, and should identify and prioritize those areas that are either now, or could be made, amenable to risk-informed, performance-based or risk-informed less prescriptive approaches with minimal additional staff effort/resources. This assessment should eventually lead to the development of a framework for applying PRA to nuclear material uses, similar to the one developed for reactor regulation (SECY-95-280), where appropriate.

(EDO)

(SECY Suspense: 10/1/97)

The staff should develop objective standard(s) for the application of risk-informed, performance-based and risk-informed less prescriptive approaches to regulations on an expedited basis. Such standard(s) could be in the form of individual plant safety goals and subsidiary objective performance criteria as discussed in the issue paper. The staff should also describe how any relevant knowledge developed in the implementation of the maintenance rule will be utilized in the development of risk-informed, performance-based regulation.

(EDO)

(SECY Suspense: 8/29/97)

This Direction Setting Issue is closely related to DSI-11, Operating Reactor Program Oversight, and DSI-13, Role of Industry. The staff should ensure that implementation plans developed for these issues are mutually compatible and do not create duplicate activities.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OCA
OIG
CIO
CFO
Office Directors, Regions, ACRS, ACNW, ASLBP
E. Jordan (SARSC)
J. Silber (SARSC)



OFFICE OF THE
SECRETARY

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

March 7, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: *John C. Hoyle*
John C. Hoyle, Secretary

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-062 -
STRATEGIC ASSESSMENT ISSUE PAPER: THE ROLE
OF INDUSTRY (DSI 13)

The NRC should move as expeditiously as possible, within budget constraints, to evaluate on a case by case basis initiatives proposing further NRC reliance on industry activities as an alternative for NRC regulatory activities. Staff guidance should be developed to describe the process and the general decision criteria NRC would use for evaluating proposals. (Option 1) The staff should explore whether other public agencies provide models or informative experiences regarding this type of process and general decisional criteria. In addition, the staff's development of decisional criteria should include consideration of the effects on public access to information on safety-significant industry activities if the NRC relies on an industry activity as a substitute for NRC regulatory action. Accreditation and certification programs for licensee activities can be considered in the context of Option 1.

In addition, the NRC should increase its focus and emphasis on interacting with both industry groups and professional societies and technical institutes to develop new codes, standards, and guides needed to support efficient, effective, and consistent performance of industry activities important to safety. These codes, standards and guides would then be endorsed by the NRC. (Option 4) The staff should develop an implementation plan for pursuing Option 4 that addresses the following:

- 1) the need to streamline and simplify the NRC's internal process for endorsing codes and standards within a year after they are issued by a professional society. Consideration should be given to the American Society of Mechanical Engineers' recommendation to maximize concurrency in the professional society process and the NRC regulatory process.
- 2) internal performance indicators to ensure timely update of

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regulations and regulatory guides.

- 3) the degree to which the current backfit rule implementation unnecessarily impedes the adoption of updated codes and standards.
- 4) whether greater use should be made of all available codes and standards (not just ASME and IEEE standards) in our regulations and regulatory guides.
- 5) whether the intent of Public Law 104-113 is being fully addressed in all of our regulatory requirements and guides.
- 6) where there are needs for new codes, standards, and guides and recommendations for areas of emphasis. The NRC's initial activities in pursuing option 4 should include standards development in Probabilistic Risk Assessment (PRA) as discussed in the PRA Framework Document (SECY-95-280).
- 7) an assessment of the required NRC resources and anticipated periods for commitment of such resources.

This Direction Setting Issue (DSI) is closely related to DSI-11, Operating Reactor Program Oversight, and DSI-12, Risk-Informed, Performance-Based Regulation. The staff should ensure that implementation plans developed for these issues are mutually compatible and do not create duplicate activities.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
K. Cyr (OGC)
D. Rathbun (OCA)
H. Bell (OIG)
A. Galante (CIO)
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E. Jordan (SARSC)
J. Silber (SARSC)



OFFICE OF THE
SECRETARY

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

March 14, 1997

MEMORANDUM TO: William M. Beecher
Director, Office of Public Affairs

L. Joseph Callan
Executive Director for Operations

Karen D. Cyr
General Counsel

Anthony J. Galante
Chief Information Officer

Ronald M. Scroggins
Acting Chief Financial Officer

FROM: John C. Hoyle, Secretary

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-063 -
STRATEGIC ASSESSMENT ISSUE PAPER: PUBLIC
COMMUNICATIONS INITIATIVES (DSI 14)

A goal in public communication is to foster the public's understanding of, and build public trust and confidence in, NRC's regulatory oversight and activities designed to protect public health and safety in the use of nuclear materials. Therefore, the NRC should place a priority on early identification of public concerns and methods for public interaction in making regulatory decisions that are likely to generate substantial public interest or concern (Option 2). Additional resources should not be committed to NRC's public communications efforts unless they (additional resources) are considered and included in the final NRC budget for FY 1999 through 2001. The NRC should interpret the term "public" in its broadest sense, understand who our various publics are, and focus on what they need in order to facilitate interaction and dissemination of information. For this purpose, the public includes private citizens, interest groups, licensees, states, media, congress, the executive branch, and the international community.

Much of the agency's public communication disseminated by other than the NRC's public communication professionals is very dense, extremely difficult to understand, and not very useful to the non-technical public. There is a substantial need for constant efforts to improve the agency's public communications within existing resources. In this work, recognition should be given to

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both bilateral formal and informal communication, and particular attention should be given to review and improvement of formal communication. The appropriate role of technology as a facilitating/enabling device should be carefully examined within this context (e.g. particular care should be given to considering the forms of information dissemination such that the NRC does not eliminate paper in favor of electronic communication without full consideration of the public's ability to access information electronically). Although there should be centralized planning and coordination of a methodology for anticipating and involving the public in regulatory matters and decisionmaking, responsibility for implementing the methodology should reside with the program offices. The roles of the line organization and the Office of Public Affairs in facilitating public responsiveness should be clearly understood.

Consistent with this approach, the NRC should focus on maximizing effectiveness and economy in its existing program for public responsiveness (Option 1a), and in anticipating and involving the public (Option 2). The NRC should pursue a course of implementation using existing resources to examine the effectiveness and efficiency of activities that are of highest cost, and perform better assessments of proposed improvements to the existing approach. As an improvement, the NRC should develop a comparative risk vocabulary that can answer the simple questions, "What is my risk?" and "How safe is the facility?." The staff should consider the report of the Presidential/Congressional Commission on Risk Assessment and Risk Management in this effort.

General public outreach (Option 3) could be useful and could become more so as the NRC is directed to take on additional responsibilities. This should be pursued as existing resources allow. In pursuing general public outreach, the staff should devote particular attention to assuring the clarity for the general public of the NRC's programs, activities, and policies. We should promote public understanding of the responsibilities of the agency and how they are discharged.

To assist in centralized planning and coordination, the Executive Council should establish a coordinating group and oversee development of a plan to implement the Commission's final decision. The plan should include performance goals and measures to assess the effectiveness of the program, consideration of the experience of the private sector and other public agencies, and consideration of the comments received on this direction setting issue suggesting improvement in existing practices. The plan should be sent to the Commission.

As a separate matter, the EDO should consider the comments concerning the 2.206 process, in particular the potential for an NRC employee to be reviewing their own work in responding to a 2.206 petition, in the ongoing review of this process.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
D. Rathbun (OCA)
H. Bell (OIG)



SECRETARY

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

March 28, 1997

MEMORANDUM TO: Carlton R. Stoiber, Director
Office of International Programs

L. Joseph Callan
Executive Director for Operations

Ronald Scroggins
Acting Chief Financial Officer

FROM: John C. Hoyle, Secretary *per [signature] for*

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-064 -
INTERNATIONAL ACTIVITIES (DSI 20)

The Commission agrees that option 4, which fundamentally allows the Commission to conduct international activities of importance and benefit to the NRC's domestic mission or U.S. national interests is a desirable goal. However, modifications are expected to be required because of expected continued reductions in the NRC budgets. Therefore, we need to examine individual international activities with respect to budget and priority to provide the basis for an orderly reduction and/or sunseting of certain activities to meet expected future constraints on the program.

Option 4 reaffirms the NRC's current policy basis for participation in international activities. Under option 4, the NRC would continue to perform its current statutory role in matters related to export-import licensing and its current and prospective role in treaty implementation and would, in addition, actively participate in international activities that support and benefit the NRC domestic safety and security responsibilities or U.S. national interests. In this regard, the NRC should interact with the Executive Branch agencies (e.g., State Department, DOE, ACDA) to seek and subsequently maintain a larger NRC role in international nuclear regulatory policy formulation. Also, the NRC would participate in exchange activities of benefit to its domestic responsibilities or U.S. national interests and would provide a wide but carefully selected range of safety and safeguards assistance. With respect to such assistance, the NRC should assume a larger role in leading the U.S. government's efforts to assist foreign regulators, especially those in the FSU and CEE countries, in developing their nuclear regulatory

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programs.

The Commission believes that NRC's international activities provide important support for U.S. national interests. In this regard, the Commission strongly supports the NRC role in export licensing, a function Congress gave to the agency in the 1978 Nuclear Nonproliferation Act as a check on Executive Branch decision-making in this area to ensure U.S. nonproliferation interests were protected. This role in export licensing also has direct impact on overall U.S. commercial interests. In addition, the NRC's international regulatory assistance programs often are part of larger U.S. government foreign policy and security goals.

Notwithstanding the above, we must also address the issue of future constraints on the NRC's international program. Therefore, staff should conduct a comprehensive review and develop criteria which would address the basis for prioritizing the NRC's non-mandated international activities, using the criteria for defining mandated and non-mandated activities developed by the staff in response to the SRM on COMSECY-96-065 (DSI 21). Such a review should consider the international activities and capabilities of other organizations such as the Department of Energy, IAEA, NEA, and WANO to assure that the NRC does not undertake tasks that are best funded by, or are better performed by other entities. The review should also identify areas where efficiencies can be considered and develop criteria for sunseting certain activities. This will assist the Commission in determining where appropriate programmatic expansion or reductions may be made, depending on future budget constraints.

All non-mandated NRC international activities, except for international research, should be evaluated by the Office of International Programs for effectiveness, program of work, structure and budget, accomplishment of stated objectives, and should include a sunset provision. The programmatic review should be coordinated with the Executive Council.

Since the NRC is licensee fee based, careful consideration of international programs and of their primacy to the NRC's mission is important. As noted with regard to DSI 21 - Fees, consideration should be given to removing some international activities, such as assistance to foreign regulatory bodies where the NRC's role will increase, from the fee base. There should be no diminution of domestic nuclear regulatory safety activities, including those in support of State and local radiation safety programs.

As to FTEs, it is the Commission's position that the NRC should identify those FTEs associated with reimbursable work as business-like activities under the terms of the January 1996 OMB letter to the CFO Council. The staff should include identification of business-like activities as part of the FY 1999 budget planning process. The FTEs associated with the business-like activities should be separate from the total FTE budget ceiling and the NRC should seek early OMB support for inclusion of the "reimbursable business-like FTEs" in the FY 1999-2001 budget submittal as directed in the January 1996 OMB letter.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
OCA
OIG
CIO



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

March 28, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: John C. Hoyle, Secretary *W. H. Taylor*

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-066 -
RESEARCH (DSI 22)

The staff should continue with the research program, which should include elements of both confirmatory and exploratory research (option 4), balanced in such a way that both current as well as potentially emerging issues are being addressed. The research program should focus on programs with the highest safety and regulatory significance, coupled with the maintenance of the necessary technical capability. This option permits response to programmatic needs, as well as anticipation of future needs. The term "exploratory research" which is used to describe that part of the research effort that addresses anticipated needs of the Program Offices should be changed to "anticipatory research."

In order to develop the scope of these technical capabilities the Office of Research should develop criteria for determining core research capabilities for Commission approval prior to going forward. Therefore, the Commission also approves option 5 in conjunction with option 4. RES should develop a set of core research capabilities for the NRC in consultation with the other program offices.

In addition to the core research capabilities, it is essential that the NRC, as a knowledge-based organization, monitor the overall technical capabilities of its staff to ensure that the necessary core capabilities are maintained. The staff should recommend the appropriate office within the agency and provide the estimated resources to perform this function. To assist top agency management, the selected office should create and maintain an agency-wide database that contains an inventory of the technical core capabilities of the NRC staff.

The Commission supports increasing the percentage of the research budget executed by universities, but wants to consider additional approaches to working with universities besides the current Educational Grant Program. Such approaches might enhance

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achievement of the goals of the NRC research program and provide additional benefits useful to the NRC. In keeping with the NRC designation as a Procurement Reinvention Laboratory, RES should coordinate with the Division of Contracts in exploring innovative ways to engage universities in NRC's research program (e.g., through use of cooperative agreements, contracts and purchase orders, or through establishment of research consortia or institutes in areas such as PRA). Grants would be utilized where they are the most appropriate mechanism for achieving a purpose of the research program. The staff would have the flexibility to award grants of up to \$100,000 per year. The staff should develop this approach, including an appropriate higher goal for the percentage of research carried out directly by universities, and submit it for Commission consideration.

The staff should continue to support active participation in International Safety Programs (option 7). The staff should ensure that these international activities and the related programs are prioritized and appropriately integrated with other NRC research efforts (option 4), and also are properly considered in the establishment and maintenance of core research capabilities (option 5). All research activities should be evaluated by the Office of Research for effectiveness, program of work, structure and budget, accomplishment of stated objectives and should include a sunset provision. The programmatic review should be coordinated with the Research Effectiveness Review Board or Executive Council, as appropriate.

The staff should explore the option of performing cooperative research with both industry, and the DOE, so as to minimize duplicative work - where appropriate. Legal ramifications, independence, and public perception should be considered when exploring any cooperative research program. The staff should also examine the feasibility of improving access to research information during the early phases of the work.

There are many key questions raised in the research DSI paper - note in particular pages 13, 14, and 18 of the DSI dated September 16, 1996 (pages attached and marked) - that require much thought to resolve, but whose answers will have a strong bearing on how the agency will operate in the future. Implementation of Option 4 should include development of an integrated set of recommendations to be provided for Commission consideration.

The Commission has decided that the preparation and coordination of rulemaking should move from RES to the Program Offices, and that most confirmatory research activities now in the Program Offices should move to RES. The staff should develop and submit

to the Commission an implementation plan, with possible options for carrying out this decision, including the necessary partnership activities.

In conjunction with its development of an implementation plan, the staff should consider the creation of a Research Effectiveness Review Board. This board would be composed of representatives of the Program Offices and the Research Office. Its purpose would be to advise the Director of Research and the Directors of the Program Offices on the effectiveness of the research programs in meeting the needs of the users and on the effectiveness of the program offices in supporting and in articulating their needs and priorities to the research offices. The Board would periodically review the bases for initiating, continuing, and terminating specific research programs giving particular attention to the effectiveness of broad based long range programs and the capabilities of the staff to address core research needs. The usefulness and advisability of its continuation should be examined by the Commission every three years.

Finally, the high-level staff task force (set up under DSI-2) should also identify the impact on research needs of NRC oversight of Department of Energy (DOE) nuclear facilities, and advise the Commission on the resource implications of those impacts.

Attachment:
As stated

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
CIO
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP
E. Jordan (SARSC)
J. Silber (SARSC)

In late 1993, Commissioner Rogers presented a paper that had as its central theme the importance of NRC's knowledge base to its success as a regulatory agency. In this paper he stated, "The quality of NRC's decisionmaking is ultimately dependent upon the agency's ability to: identify relevant technical knowledge needed for its regulatory decisionmaking; gain access to that knowledge; and, transfer that knowledge readily into its regulatory practice." This paper also suggested how the NRC might reorganize to be more effective in managing this knowledge base. Although, reorganizations are beyond this phase of the NRC strategic assessment initiative, two principles embedded in Commissioner Rogers' paper are relevant to the evaluation of the options presented here. These principles are the following: (1) the NRC knowledge base requires continuing maintenance and extension and (2) qualified staff are the key to maintaining the NRC knowledge base. These two principles are addressed with the consequences under each option.

Organizational questions must ultimately be addressed, however, as the agency looks at how the research program might be implemented more efficiently and effectively. A Commission decision on this DSI is a necessary first step to establish a framework within which effectiveness and efficiency initiatives can be properly evaluated.

A key factor affecting effectiveness and efficiency is the role of the research office compared with the role of the program offices. For example, the Office of Nuclear Regulatory Research (RES) is often asked to assist the program offices in the review of issues to support specific regulatory decisions (technical assistance). The question arises as to whether such efforts should be performed by the program offices. On the other hand, should certain analyses performed by the program offices, such as thermal-hydraulic analysis, be performed only by RES? At present, most rulemakings are managed by RES. Should that continue, or should all rulemakings be assigned to RES, even though all rulemakings do not involve research, or should all rulemakings be assigned to the program offices? What RES functions, if any, could be performed more efficiently and effectively by the program offices? Should the overlap in some technical disciplines (e.g., thermal-hydraulic and severe-accident analysis, mechanical engineering, PRA, and human factors) continue to exist between RES and the program offices to provide "office-dedicated" expertise, or should these be partially or completely merged to maintain a critical mass as a result of decreased resources? What should be the role of RES compared with that of program offices in staying abreast of national and international nuclear safety developments, emerging technologies, and design concepts? Budget reductions have been so severe that all HLW research activities in RES are under consideration for transfer to NMSS. Even though such a decision would permit economies, is it possible that research issues will be explored in a more limited way because of licensing concerns or pressures? This example raises a broader question for the entire research program if it were to be decentralized. Could the NRC attract and retain top

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research talent, and would research of a broader/exploratory nature be pursued with the research program components embedded in licensing organizations? If not, would that fundamentally impact the ability of the NRC to fulfill its health and safety mission given where the regulatory programs are today? Would the research budget be smaller and more efficient if managed by the licensing organizations? Would the absence of an independent research office result in lower quality research, absent a healthy technical debate between RES and licensing organizations over research applications and approaches? All these questions and others will need to be carefully considered in the next phase of the strategic assessment.

C. External Factors

Several external factors significantly affect NRC's research program. External organizations that have an impact on NRC's research program are the nuclear industry, DOE, universities, international programs, Congress, and the public.

1. Nuclear Industry

Past research has provided an understanding and resolution of many of the important safety issues related to the design and operation of reactors. Nevertheless, operational events, both domestically and internationally, including the possibility of a serious accident, are likely to continue to raise new issues. In addition, the aging of plants and the introduction of new technologies (such as reactor instrumentation and control and the annealing of pressure vessels to counter aging effects) will raise new issues. Financial pressures on industry are also likely to have a number of effects, including an increased desire to use risk-informed, performance-based approaches to meet safety requirements and the use of higher burn-up fuels. These same pressures will also lead to reductions in budgets for industry-sponsored research organizations such as the Electric Power Research Institute. The development of new reactor designs could increase the need for additional research, although, at this time, no new designs are expected in the foreseeable future. Finally, because NRC's budget is recovered by licensee fees, there is likely to be increased pressure on the NRC to reduce its budget as a means of reducing licensing fees.

2. Department of Energy, Including the National Laboratories

As DOE's budget is reduced, its support of advanced reactor concepts is being reduced, which will reduce the need for NRC research directed at understanding these new designs. In addition, as a result of budget reductions Government wide, research activities at the national laboratories are being reduced. This is resulting in a loss of capabilities and limiting the expertise available to the NRC. Further, as non-NRC research activities are reduced,

address some of the unique thermal-hydraulic issues associated with these passive designs. However, work on the passive design is now coming to an end, and the NRC must again determine the type and scope of technical capability that need to be maintained to address both ongoing as well as emerging safety issues related to thermal-hydraulic phenomena. This is also true in varying degrees for other areas of ongoing research (e.g., reactor component materials, severe accidents, earth sciences, PRA, health physics, human factors, and instrumentation and control). Because of such factors as the aging of nuclear power plants and the introduction of new technologies, certain program elements should remain strong; in other program elements, major work is being completed in the next year or so. Therefore, the key question that the NRC needs to address for all of its research programs is in what specific areas and of what scope does the NRC need to maintain technical capability to address ongoing as well as emerging issues. Each area of technical expertise could be maintained: (1) in house (NRC staff); (2) through the support of contractors at national laboratories, universities, or other appropriate organizations; or (3) by a combination of both in-house and contractor support.

This subsumed issue can be considered a DSI itself, since it encompasses the scope of the research program and to a large extent its role. Among the questions to be addressed that bear on this issue are the following. Should core capabilities be maintained in some areas, with more robust programs in other areas? What is the right mix of in-house staff and contractor capabilities for each core area? Which of the analytical activities currently performed in contractor organizations can and should be performed in house? Which lower priority research programs should be discontinued, to be initiated again only if a specific need arises? Is this feasible? What types and depths of expertise would the NRC need to ensure the availability of a critical mix of skills not only to address ongoing issues, but also to respond to problems that may arise in the future? Examples of criteria that can be used to develop a core program are listed in Section IV under Option 5. It is anticipated that final criteria would be developed for approval by the Commission. After the Commission approved these criteria, RES would develop a well-defined set of core capabilities.

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2. How could NRC's established leadership in safety research domestically and in such organizations as NEA and IAEA be maintained?

This issue is subsumed because NRC's established leadership in safety research is interwoven with and dependent on the role and scope of the overall research program. NRC's leadership position could be affected by the elimination, downsizing, or restructuring of its research program. As discussed previously, international interest in NRC's research results gives NRC the leverage to participate in many cooperative research programs overseas and to obtain international support for its own research programs.



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

March 27, 1997

MEMORANDUM TO:

L. Joseph Callan
Executive Director for Operations

Anthony J. Galante
Chief Information Officer

Ronald M. Scroggins
Acting Chief Financial Officer

FROM:

John C. Hoyle
John C. Hoyle, Secretary

SUBJECT:

STAFF REQUIREMENTS - COMSECY-96-067:
ENHANCING REGULATORY EXCELLENCE, (DSI-23)

The Commission believes that striving for regulatory excellence in all NRC functions is both desirable and necessary to maintain an effective and efficient regulatory framework in today's changing environment. Recent events have shown that we could be more proactive in identifying potential problem areas and responding appropriately. Other DSIs have focused on critical areas that involve how the regulatory process can be improved. This DSI should emphasize how the NRC can implement strategies designed to improve its own internal performance, that is, for the NRC to be proactive in making our own people and processes function with a goal of excellence. Therefore, while the Commission supports taking a proactive approach as described under Option 2, including the designation of an agency-wide senior management review group, the Commission would broaden the approach beyond the proposed initial focus of Option 2 and request the staff to make recommendations on how broadly and how quickly it can realistically phase in a comprehensive, systematic, agency-wide approach to program assessment and improvement.

For this purpose, the staff should make recommendations and develop an implementation plan that includes, but is not necessarily limited to, the following: 1) identified goals with milestones and clear criteria for judging success; 2) measures to engage the work force at the grassroots level and to stimulate management and employee communications in problem solving; 3) methods to effect improvements that address elements involving a manageable but broad range of NRC regulatory areas; 4) potential methods to effect improvements to the NRC's processes and management and support functions so as to enhance the efficiency

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and performance of the NRC staff; 5) recommendations as to a realistic, phased-in approach and schedule for the program assessment and improvement; and 6) resource requirements for the staff's recommended approach.

The recommendations and plan for initiating this more proactive approach to improving regulatory effectiveness with a goal of excellence should be forwarded to the Commission for approval. The Executive Council (EC) should oversee the development of the recommendations, plan and, ultimately, the program assessment and performance improvement but with lead responsibility vested with the DEDO for Regulatory Effectiveness, Program Oversight, Investigations and Enforcement.

The performance goals that are established in the area of enhancing regulatory excellence should include timeliness goals for completing rulemaking, updating codes and standards, and completing regulatory guidance documents. For example, the staff might consider goals of (a) completing rulemaking within one year of the publication of the initial proposed rule, (b) initiating actions to update codes and standards (e.g. by publishing proposed endorsing Regulatory Guides or proposed rules) within one year of the publication of the new codes or standards by the standard-setting body, (c) completing Regulatory Guides supporting rules by the time of issuance of the final rule, and (d) completing other Regulatory Guides within one year of publication of the initial draft Regulatory Guide for comment. Based on past experience in rulemaking and the preparation of regulatory guidance, the staff should consider, and make recommendations on, reasonable goals that will result in improvements in NRC's timeliness in these areas.

The EC should factor in public comments, especially those relating to the need to develop baselines and indicators for regulatory performance, the need to provide for stakeholder participation including NRC employees, the need to focus on quality and consistency, the need to strive for a risk-informed, and, where appropriate, more performance-based regulatory approach, and the need to effectively use and enhance NRC staff skills and knowledge as a key means of attaining the Commission's goals.

The EC's initiatives need not be "in addition to the current routine and periodic office-directed self-assessment improvement efforts, as described on page 11 of the paper, but instead could replace some of those efforts. The Commission envisions the EC first evaluating the effectiveness of those office-level efforts and then encouraging the continuation and timely completion of those that appear effective and eliminating, or revising, those that are not.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
OCA
OIG



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

April 3, 1997

SECRETARY

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: *John C. Hoyle*
John C. Hoyle, Secretary

SUBJECT: STAFF REQUIREMENTS - COMSECY-96-068 -
STRATEGIC ASSESSMENT ISSUE PAPER:
DECOMMISSIONING - POWER REACTORS (DSI 24)

The Commission supports achieving finality in decommissioning requirements as soon as practicable. As the industry moves to a deregulated environment, decommissioning implementation costs must be understood and properly factored into planning decisions and/or rate recovery mechanisms. To this end, the Commission approves Option 2, pursue current direction and approaches more aggressively, for Decommissioning - Power Reactors (DSI 24) as the Final Commission View subject to the following comments.

The staff should address the issue of financial assurance for decommissioning. The staff should also address the issue of site specific decommissioning cost estimates by providing a rulemaking plan for Commission consideration.

The staff should accelerate resolution of decommissioning rulemaking issues and consider the option of combining several rulemakings into a single rulemaking, or a few integrated rulemakings, if practicable. Risk-informed performance-based approaches to these rulemakings should be used only to the extent that the staff is ready to proceed with such an approach now.

The Commission is currently considering the issues of the radiological criteria for decommissioning in SECY-97-046 and the interim storage of greater-than-class-C waste in SECY-97-056.

The staff should consider the public comments received suggesting improvements in existing practices and rulemakings. These should include lessons-learned (e.g. packaging and transport), data available (e.g., survey costs) from recent decommissionings, and implementing radiological assessments coincident with the licensee's efforts.

To the extent that it does not compromise public health and safety, or delay the staff's completion of accelerated

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rulemaking, the staff should consider innovative regulatory approaches to decommissioning. Particular approaches to consider are those which can accelerate decommissioning in a safe manner, but with appropriate NRC oversight at critical stages in the process. Options the staff should consider include: taking a performance-based approach by only performing a radiological assessment of the site when it is ready to be released; placing an inspector onsite during specific phases of decommissioning (e.g. during active dismantlement); and, centralizing reactor decommissioning inspection programs in headquarters.

The staff should provide the Commission with an analysis of whether or not the staff views entombment as a viable decommissioning option and how this option has been dealt with previously by the Commission. If the staff concludes that it is not a viable option, the staff should describe the technical requirements and regulatory actions which would be necessary for entombment to be a viable decommissioning option. The staff analysis should include the resources involved, potential decommissioning cost savings, and vulnerabilities.

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner McGaffigan
Commissioner Diaz
K. Cyr (OGC)
D. Rathbun (OCA)
H. Bell (OIG)
A. Galante (CIO)
R. Scroggins (CFO)