

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

OFFICE OF THE SECRETARY

COMMISSION BRIEFING on LICENSE RENEWAL DOCUMENTS

Nuclear Regulatory Commission

One White Flint North

Commissioners Hearing Room

11555 Rockville Pike

Rockville, Maryland

Monday, December 4, 2000

The above-entitled Commission met in open session,
pursuant to notice, at 2:01 p.m., the Honorable RICHARD A.
MESERVE, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

RICHARD A. MESERVE, CHAIRMAN
GRETA J. DICUS, Member of the Commission
NILS J. DIAZ, Member of the Commission
EDWARD McGAFFIGAN, JR., Member of the Commission
JEFFREY S. MERRIFIELD, Member of the Commission

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STAFF AND PRESENTERS:

FRANK MIRAGLIA, Operations P. T. KUO, Chief,
Engineering Section, License Renewal and Standards
Branch, NRR
SAM LEE, Sr. Engineer, License Renewal and
Standards Branch, NRR
SCOTT NEWBERRY, Deputy Director, Division of
Regulatory Improvement Programs, NRR
BRIAN SHERON, AD, Project Licensing and Technical
Analysis, NRR.
JITENDRA VORA, Team Leader, License Renewal and
Special Materials, Research
DAVID LOCHBAUM, Nuclear Safety Engineer, Union of
Concerned Scientists
RALPH BEEDLE, Sr. VP, Nuclear Generation and Chief
Nuclear Officer, NEI
DOUG WALTERS, Nuclear Energy Institute
ANNETTE L. VIETTI-COOK, Secretary
KAREN D. CYR, General Counsel

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1 P R O C E E D I N G S

2 [2:01 p.m.]

3 CHAIRMAN MESERVE: We're here today for a
4 Commission briefing on a variety of reports that the
5 Commission has prepared that relate to license renewal.

6 This has been a very important activity,
7 generally, for the Commission over the past few years, and
8 we've had the good fortune to be able to handle two license
9 renewal applications in an expeditious manner, and we have a
10 large number which are in the queue to be handled in the
11 future.

12 One of the directions that the Commission had
13 provided to the Staff was that there should be the
14 development of certain guidance documents, and we're here
15 today to have a discussion of the Generic Aging Lessons
16 Learned Report, the Standard Review Plan, and the Draft
17 Regulatory Guides, which are a cluster of interlinked
18 documents that provide assistance to the licensees and to
19 the Staff as they're developing their applications, and the
20 Staff in processing the applications.

21 The Commission had asked that all of these
22 documents be submitted for public comment, and our briefing
23 today is consistent with the SRM on this matter, which was
24 that we have a Commission meeting to discuss the variety of
25 comments.

4

1 We have two of the organizations --
2 representatives of two different organizations that
3 commented on the briefing in our first panel, and we'll be
4 hearing from the Staff in the second panel. We'll hear
5 initially from the Nuclear Energy Institute, with, I
6 presume, Mr. Ralph Beedle will take the lead there with Mr.
7 Doug Walters. And then we'll hear from David Lochbaum, who
8 is with the Union of Concerned Scientists.

9 Let me turn to my colleagues and see if they have
10 any opening statements?

11 [No response.]

12 CHAIRMAN MESERVE: If not, Mr. Beedle, you may
13 proceed.

14 MR. BEEDLE: Thank you Mr. Chairman and
15 Commissioners. Good afternoon. With me, as you indicated,
16 is Doug Walters. Doug is responsible for license renewal
17 issues at NEI.

18 We appreciate the opportunity to share our views
19 on various guidance documents that will be used by the

20 industry and the NRC Staff for the preparation and review of
21 license renewal applications.

22 May I have our first slide up there, please?

23 The industry's interest in renewal continues to
24 grow, and the importance of the guidance documents here
25 cannot be overstated. We commend the Commission for

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1 dedicating the resources for preparing these documents, and
2 the Staff for managing the effort, soliciting input from the
3 stakeholders, and producing the documents in a timely
4 fashion.

5 We also acknowledge the NRC's contribution to NEI
6 95-10, the industry guideline for requirements of the
7 license renewal rule 10 CFR Part 54. Next slide, please.

8 As the industry moves forward with license
9 renewal, these documents will serve as a road map for
10 preparing an application. The documents are interrelated as
11 noted in this slide, but in our view, the GALL report is one
12 of the building blocks for the license renewal application.

13 Given the number of applications expected to be
14 submitted over the next few years, it is imperative that the
15 process be thorough, but focused on those activities that
16 are necessary to ensure aging is managed such that there is
17 a reasonable assurance that the equipment functions are
18 maintained in the period of extended operation.

19 Expectations are that the use of the documents and
20 the incorporation of lessons learned will result in a more
21 efficient preparation of the application, and we should
22 expect to see an improvement in the current NRC 30-month
23 scheduled review period. Next slide, please.

24 I'd now like to speak to our review of the
25 documents, and I want to begin by going back to July of

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1 1999. The industry raised a concern regarding credit for
2 existing programs in the license renewal application.

3 In response to this issue, the Staff prepared SECY
4 99-148, Credit for Existing Programs for License Renewal.
5 The SECY includes a number of options for addressing
6 industry concerns.

7 Option 3 was ultimately endorsed by the
8 Commission, and was to, quote, "focus Staff review guidance
9 in Standard Review Plan on areas where existing programs
10 should be augmented." Next slide, please.

11 In directing the Staff to proceed with this
12 option, the Staff Requirements Memorandum delineated three
13 objectives that guided the development of the GALL and the
14 Standard Review Plan:

15 First, ensure that the documents receive the

16 benefit of the experience of Staff members who conducted the
17 review of license renewal applications;

18 Second, ensure that the lessons learned on the
19 initial license renewal application are incorporated into
20 the documents; and,

21 Third, ensure that the guidance is clear and
22 understandable to stakeholders. Next slide, please.

23 I think we need to back up one on the slides,
24 please.

25 [Pause.]

7

1 There we go. With this guidance in mind, our
2 concept of the GALL process is depicted here. The GALL
3 report comments or documents, the Staff's evaluation of
4 existing programs, and identifies where augmentation is
5 necessary.

6 The GALL conclusions are then reflected in the
7 Standard Review Plan. Simply stated, the GALL process
8 evaluates existing programs against attributes that
9 typically exist in an aging management program.

10 If the GALL evaluation determines that one or more
11 of the attributes are not satisfied, then augmentation may
12 be necessary. A one-time inspection is a typical
13 augmentation process.

14 If the evaluation determines that the attributes
15 are satisfied, then the conclusion is that the program is
16 adequate for managing aging effects in the period of
17 extended operation.

18 It was and still is the industry's expectation
19 that a program evaluated in GALL is adequate, would preclude
20 the need for a detailed review of a similar program by a
21 license renewal applicant. Next slide, please.

22 The NRC issued the license renewal guidance
23 document in August, and we submitted comments in October.
24 Over the next few weeks, we met with the Staff to discuss
25 and clarify those comments.

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1 Our comments reflect our understanding of how
2 aging managing programs are implemented, and what was
3 accepted by the first two license renewal reviews. Since
4 GALL identifies systems, structures, and components, as well
5 as aging effects and licensing management programs, the
6 potential exists for it to be used as a checklist for
7 determining the scope of the license renewal and the
8 screening of aging effects requiring management.

9 The rule requires and applicant to develop a
10 scope, a methodology, and to provide a description of that
11 methodology in the application. So we caution against the
12 use of the GALL as a list of systems, structures, and

13 components that should be in the scope of the renewal.

14 We believe the Staff's review should focus on the
15 applicant's scoping methodology.

16 A second concern is that the GALL, and ultimately
17 the SRP, impose actions without justification that are
18 beyond current regulatory requirements.

19 For example, inspection of inaccessible areas is
20 addressed in 10 CFR 5555(a), and it endorses ASME Code
21 Section 11 for aging management.

22 The ASME Section 11 provides that inaccessible
23 areas are only examined if the adjacent accessible area
24 indicates degradation in the inaccessible area. The GALL
25 rejects this position and states that certain inaccessible

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1 areas need to be inspected for license renewal.

2 It is unclear in reading the GALL evaluation,
3 which attribute is not satisfied by Section 11 in that
4 inspection process.

5 Another concern reflected in our comments is that
6 the GALL identifies items that are not addressed or
7 identified in previous applications. As such, the GALL has
8 become more than just a lessons-learned document.

9 The personnel airlock is an example. The airlock
10 is in the scope of the license renewal and requires an aging
11 management review. However, GALL identifies the aging
12 mechanism for the personnel airlock as mechanical wear of
13 locks, hinges, and closure mechanisms.

14 By default, the GALL has now identified locks,
15 hinges, and closure mechanisms as requiring an aging
16 management review process, when, in fact, it is the airlock
17 that requires the review.

18 In at least one of the previous applications,
19 locks, hinges, and closure mechanisms had been the subject
20 of aging management review, and were determined to be
21 acceptable by the Staff.

22 The final concern I'd like to touch on is that new
23 programs are being added to the GALL report. For example,
24 the GALL includes a program for managing age on the outer
25 surfaces of buried piping and components. The GALL

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1 evaluation indicates that the program is based on the
2 National Association of Corrosion Engineers, or NACE
3 standard.

4 We don't disagree that it may be necessary to
5 manage the aging of buried pipes and components, however,
6 licensees do not have programs based on this NACE standard.
7 Further, programs based on that standard are beyond that
8 that was found acceptable in the first two license renewal

9 applications. Next slide, please.

10 In concluding, I want to revisit the objectives
11 that the Commission established in the SRM, and also make
12 one observation. Regarding the objective, it is our view
13 that for the most part, the guidance documents have received
14 the benefit of experience of Staff members that have been
15 involved in previous reviews.

16 We are concerned that the lessons learned from the
17 previous reviews are not incorporated as lessons learned
18 into the GALL. In our October comment letter, we identified
19 inconsistencies between the guidance documents and what the
20 NRC Staff found acceptable in the previous applications.

21 In a November meeting with the NRC Staff, we
22 discussed the use of GALL and the SRP. And it is our
23 understanding that the renewal applicant needs to certify
24 that their plant programs match the programs evaluated in
25 GALL.

11

1 And to make that certification, the applicant must
2 evaluate the program, that is, evaluate it against the
3 program attributes, and then compare the evaluation to the
4 evaluation in GALL.

5 And our understanding is that that comparison
6 would be done on a line-by-line item against the GALL.

7 An applicant may end up expending more resources
8 to complete that certification than he would to simply
9 describe and justify his program in the application without
10 any reference to GALL.

11 This issue is relatively new, and we've discussed
12 it with the NRC License Renewal Steering Committee, and they
13 have an action to look into that matter, and we expect to
14 discuss it further in our meeting scheduled in February of
15 2001.

16 The observations that I would like to leave you
17 with come from our review of GALL, but are also an
18 observation based on other aspects of the renewal process.
19 We must be extremely careful that the renewal does not
20 become an opportunity for imposing requirements that could
21 not be imposed in the current operating term.

22 There is no backfit protection in the license
23 renewal rule. With more than 2/3 of the 103 units expected
24 to file renewal applications, the potential exists for
25 circumventing the regulatory process for establishing new

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1 requirements.

2 Why go through the backfit when the requirement
3 can be imposed in the majority of the fleet when they apply
4 for license renewal seems to be a potential?

5 We must make certain that the industry and the NRC

6 understand why a specific action or a new requirement is
7 necessary for extending the license of a current operating
8 nuclear power plant.

9 We thank you again for the opportunity to share
10 our views and expand on the comments that we provided
11 earlier. Thank you.

12 CHAIRMAN MESERVE: Mr. Lochbaum?

13 MR. LOCHBAUM: Good afternoon. UCS will focus
14 this afternoon on only three issues: The fairness of the
15 public comment period for the GALL report, the weight placed
16 on one-time aging inspections, and what I'll term as
17 regulatory diffusion.

18 Slide 3, please. Earlier this year the NRC Staff
19 solicited public comment on a version of the draft GALL
20 report that it had no intention of issuing.

21 The reason we came to that conclusion was that in
22 parallel with the public comment period, the Staff had
23 contracted with Argon to significantly revise the document.
24 And the document, as revised, was not the one that was
25 issued for public comment.

13

1 UCS therefore recommends that the NRC Staff try
2 again with a version of the Draft GALL Report that it
3 actually intends to issue.

4 Slide 4, please. One-time inspections are the
5 regulatory equivalent of get-out-of-jail-free cards in the
6 board game, Monopoly. Any structure, system, or component
7 not covered by an aging management mechanism can be handled
8 by one-time inspection.

9 The problem is that one-time inspections will not
10 be conducted until after the majority of license renewals
11 are determined by the NRC Staff, too late for any generic
12 lessons learned to be useful in the process, and also too
13 late for any member of the public to intervene on the basis
14 of challenging that aging mechanism.

15 Slide 5, please. The last and most substantive
16 issue that we have today is the issue of what we call
17 regulatory diffusion.

18 In looking at generics, one of the key parameters
19 of the definition seems to be that it pertains to large
20 classes. From this definition we would assume that the NRC
21 Staff intends for the Generic Aging Lessons Learned Report
22 and documents to apply to a large number of the plants
23 seeking license renewal.

24 The question is, will it?

25 Slide 6. The fact is that the NRC is developing

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1 the GALL report in parallel with several voluntary

2 regulatory initiatives such as risk-informed special
3 treatment requirements.

4 The question we have is a fidelity question: How
5 does it all fit together? Will it all fit together?

6 Slide 7, please. This is somewhat busy. I
7 actually left off one set of voluntary initiatives,
8 Voluntary Initiative E, because that got way too busy.

9 But basically what this chart purports or attempts
10 to do is show that each plant owner facing a voluntary
11 initiative can either just agree to do it or decide not to
12 do it. And the more voluntary initiatives you have, the
13 more diffuse the spectrum of plant options is.

14 At the top of the option is where a plant owner
15 has no to every voluntary initiative, and we've compared
16 that to the St. Louis Rams, because Missouri is the Show-Me
17 State.

18 The bottom of the chart -- and top and bottom is
19 just relative here; we're not indicating performance -- are
20 the plant owners who have accepted every voluntary
21 initiative. So this would be the Tennessee Titans for the
22 Volunteer State.

23 And you could have a spectrum in between where
24 plant owners chose some voluntary initiatives and not
25 others.

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1 The other thing is that chart could be much more
2 complicated in that it's not time-dependent as the process
3 really is. The plant owners don't have to go through
4 Voluntary Initiative A, B, C, and D; they can mix and match
5 as they see fit.

6 Now, also, apparently they could opt to go back to
7 an old scheme, unless they've adopted one, if they try and
8 don't like it. So I couldn't figure out how to do that on
9 my chart, so I left that option out.

10 The part is that apparently generic also seems to
11 imply some concept of entropy where entropy is defined as a
12 measure of the disorder of a system. Systems tend to go
13 from a state of order or low entropy to a maximum -- a state
14 of maximum disorder or high entropy.

15 It seems that on this course, that the NRC is
16 going to be dialing up 11 on its regulatory entropy scale,
17 in, again, what we call regulatory diffusion.

18 Slide 8, please. We had a couple of questions at
19 the September Workshop on the GALL Report and related
20 documents, and they're kind of encapsulated on Slide 8.

21 Is the license renewal granted based on GALL
22 invalidated by later adoption of voluntary regulatory
23 initiatives by any plant licensee? And also the other way
24 around; is GALL rendered obsolete is plants adopt voluntary

25 regulatory initiatives before they submit their license

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1 renewal?

2 Quite frankly, I don't know the answer to these
3 questions. When I asked them at the September workshop, Mr.
4 Grimes indicated that the GALL report is written for today's
5 regulatory scheme, and might have to be revised to
6 accommodate a plant owner adopting voluntary initiatives
7 such as risk-informed special treatment requirements.

8 I think the regulatory diffusion would seem to
9 pose a significant challenge to the Staff's goal of improved
10 efficiency and effectiveness if it has to develop a custom
11 GALL for every license renewal application.

12 And the issue is larger than just GALL. I mean,
13 it applies to all of the voluntary initiatives and the
14 fidelity of how they all fit together or perhaps don't fit
15 together.

16 So what we thought needed to be done would be to
17 postpone any final issuance of GALL and the related
18 documents until the NRC has looked at these voluntary
19 initiatives and reached a determination that they do or they
20 do not fit altogether at some point, or at least to the
21 point where they don't jeopardize GALL down the road.

22 As a minimum, the best thing would be to do a
23 broader look and look at all initiatives, not just how they
24 affect GALL.

25 We think that delay would also allow the Staff to

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1 reissue the GALL Report for public comment in a form that
2 matches what they intend to do, rather than the one that
3 they foisted earlier this year. Thank you.

4 [TAPE 2 WAS BAD]

5 I would like to thank both of you for helpful. As
6 usual, we will go around with a round of questions.

7 Let me turn to Commissioner Dicus first.

8 COMMISSIONER DICUS: I am going to address one
9 question for NEI and you mentioned the issues that you have
10 currently pending with where we are with the GALL Report and
11 with just where we are headed for license renewal.

12 Maybe I missed it, but I didn't hear you say how
13 or what you envision of if you do what the really next step
14 should be in improving license renewal.

15 Would you care to comment on that?

16 MR. BEEDLE: Well, I think we need to have a
17 clearer understanding of how the Staff intends to utilize
18 the GALL in the process of doing their license reviews and
19 we see some opportunities that would give us the ability to
20 take the GALL and the lessons that are learned in the GALL,

21 the reviews that were done, and reduce the magnitude of the
22 work that has to be done in a license renewal process rather
23 than increase that.

24 The practice or a practice of using that GALL as a
25 checklist for the Applicant I think will do nothing more

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1 than add to the increased cost of producing a license
2 renewal application.

3 COMMISSIONER DICUS: Okay.

4 MR. BEEDLE: Do you want to add something on that,
5 Doug?

6 MR. WALTERS: One thing that we are looking at is
7 we do have a task force at NEI and the makeup of that task
8 force includes a number of the Applicants that are scheduled
9 to submit in 2002 and 2003. We have thought about and we
10 are giving some consideration to kind of a demonstration
11 program where we would take whatever the final version of
12 GALL and the SRP and have those Applicants actually apply it
13 to a limited number of, say, systems and programs and see
14 are we meeting the expectation or exactly how would it be
15 used and give the Staff some data to look at and give us
16 feedback on, so that is an option that we are looking at
17 right now.

18 COMMISSIONER DICUS: Okay. Mr. Lochbaum, I
19 appreciated your comparison to the Super Bowl since I am a
20 football fan, but I wonder if it would not have been more
21 appropriate for you to consider the subway World Series we
22 recently had where there is a common background, deep
23 emotion, and franchise history.

24 Now getting a little serious at the moment, you
25 want to minimize this one-time inspection and I wonder

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1 whether you see that as truly providing enough information
2 that we would need.

3 Don't you think a maximized one-time inspection is
4 better? Obviously you don't, but I don't understand -- are
5 you saying we should go in many times? I don't understand
6 your point.

7 MR. LOCHBAUM: Oh, no. The number of times that
8 the Staff or the licensee relies on one-time aging
9 inspections in lieu of an aging management mechanism is what
10 we are trying to minimize, not how often you go out and look
11 at something.

12 COMMISSIONER DICUS: Okay. I needed that
13 clarification.

14 Thank you, Mr. Chairman.

15 CHAIRMAN MESERVE: Commissioner Diaz.

16 COMMISSIONER DIAZ: Thank you, Mr. Chairman.

17 Good afternoon, Mr. Beedle and Mr. Walters.

18 I was looking at your slides before your
19 presentation and I think you probably realize better than we
20 do the dynamic nature of some of these processes and how
21 difficult it is to take a snapshot of any one of these
22 things and then say we are going to keep it like that.

23 I mean from the very beginning I think the
24 Commission said we are going to be learning from these
25 processes and we accept the dynamic nature of these process,

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1 and then we need to accept that there are going to be things
2 that are going to be cutting both ways.

3 Some are going to become less demanding on the
4 licensees and occasionally some will be a little more
5 demanding on the licensee, sometimes maybe a lot more
6 demanding on the licensee and I think you agree with that.

7 You know, I want to understand, your main
8 objection is lack of discipline with the backfit process
9 regarding aging management?

10 MR. BEEDLE: Well, let me just take as just one
11 example in the case of inspection of the inaccessible areas.
12 Here we have got an ASME standard that we adhere to. It
13 clearly defines when you need to do inspection in an
14 inaccessible area, yet the GALL expands on that and provides
15 other criteria for inspection in those areas and so there is
16 a case where we have created a new requirement for an
17 inspection program that is done without the benefit of any
18 review by the Staff, by the Commission and it basically
19 establishes a new regulatory requirements, and we are saying
20 that we think that that is an inappropriate way to levy a
21 new requirement on the industry.

22 COMMISSIONER DIAZ: And is this something that is
23 widespread in the GALL or just very specific issues that you
24 have identified, like Section 11 and the air lock?

25 I mean are there many? I can't gauge or know

21

1 whether you are talking of a large number of large issues or
2 two large issues or many small issues.

3 What is the magnitude of the difference between
4 the Staff and you regarding how we go about this?

5 MR. BEEDLE: Well, I think that there are enough
6 of them that it has got a number of our members of the
7 Working Group concerned about it.

8 Doug, you might want to expand on the extent of
9 that issue.

10 MR. WALTERS: Ralph is right. I mean it's -- if
11 you look at, in that example that is an example of the
12 program.

13 There are, you know, some 20-some programs in

14 GALL. We may have a problem in the way we describe it here
15 with half, maybe more -- it's something like that.

16 COMMISSIONER DIAZ: I see.

17 CHAIRMAN MESERVE: I apologize for the
18 distraction. I think we may have some leaf-blowers outside.
19 We will take care of that.

20 MR. WALTERS: But if I could just for a moment go
21 back to the IWE or the Section 11 example, let me be clear
22 that we have talked to the Staff about that one and I think
23 we are going to come to some closure on that.

24 Just for illustration, that is an example of a
25 program that was or where Section 11 was incorporated into

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1 the regulation and if you read the statements of
2 consideration from August of '96 it was looked at
3 specifically for renewal and if you will indulge me, it says
4 the NRC also believes that with implementation of
5 subsections IWE and IWL the detrimental effects of
6 containment aging will be managed during the current term as
7 well as during the license renewal term.

8 To see an evaluation in GALL that says you have
9 got to do something more than what the regulation says and
10 appears to have at least been evaluated for renewal seems
11 confusing at best, at least to me.

12 COMMISSIONER DIAZ: I am sure the Staff will have
13 something to say.

14 MR. WALTERS: I am sure they will, and again I
15 think it may be a bad example, because I think we have
16 worked past that one.

17 COMMISSIONER DIAZ: Mr. Lochbaum, good afternoon.

18 MR. LOCHBAUM: Good afternoon.

19 COMMISSIONER DIAZ: One time inspections -- is
20 there any such thing in the NRC? Do we really do anything
21 that is one time?

22 [Laughter.]

23 MR. LOCHBAUM: Reading GALL seems like a one-time
24 thing.

25 COMMISSIONER DIAZ: No, I'm serious. Do we -- you

23

1 know, I mean we just heard about Section 11. We can do a
2 one-time inspection and then as we continue to work with the
3 plant we see some efficiency or some degradation we will
4 immediately, and I hope the licensees would be doing that
5 even before we take -- you know, we have become aware of it,
6 so isn't it mostly just a fact of maybe the way that it is
7 cast as in some issue of finality, but there is no finality
8 in the way that the NRC allows plants to operate.

9 We continue to be intrusive in the way they
10 operate. We continue to demand on safety. It might be, you

11 know, that we want to be cautious in how we demand in the
12 regulations, but that doesn't really relieve us or the
13 licensees from their responsibility to maintain operational
14 safety, and that includes every component of the plant.

15 MR. LOCHBAUM: Perhaps, but my understanding of
16 the one-time inspections, that they would be for things that
17 have not been looked at since perhaps construction days --

18 COMMISSIONER DIAZ: That's true, but they, you
19 know, it is not an issue that is -- that there is a
20 finality.

21 I am trying to understand when you see these as a
22 finality issue, but we do have all of the series of
23 mechanisms that do come in, around and behind anything that
24 we do that actually, you know, detects degradation and
25 whether it is in components that are active or passive, and

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1 that is not going to go away and if we detect degradation in
2 any one component, we are going to go at it.

3 Maybe that is not clear from the generic report,
4 but it is obviously clear from where we sit that we will not
5 abandon all other mechanisms at the disposal of the
6 Commission.

7 MR. LOCHBAUM: I think without looking for
8 degradation, the only way to find it is through a failure
9 and I would assume that NRC's regulatory process would be to
10 try to find problems before they are found through failure,
11 but that is not what the GALL Report has set up.

12 If you do everything under one --

13 COMMISSIONER DIAZ: No, I understand. I am going
14 beyond all of it, not isolating it, because sometimes in
15 isolation things look different than what they are and I am
16 trying to go beyond what it is to look at the Agency as a
17 whole and not create the impression that a one-time
18 inspection is in isolation of all other requirements that
19 the Agency has.

20 MR. LOCHBAUM: In that context I would agree with
21 you, because otherwise we would have recommended one-time
22 inspections be disallowed altogether --

23 COMMISSIONER DIAZ: That's right.

24 MR. LOCHBAUM: -- and we didn't do that. We just
25 thought that they should be very judicious in when they are

25

1 applied.

2 COMMISSIONER DIAZ: Okay. All right, thank you,
3 Mr. Chairman.

4 CHAIRMAN MESERVE: Commissioner McGaffigan.

5 COMMISSIONER MCGAFFIGAN: Mr. Beedle, I am partly
6 responding to your remarks but also to the Inside NRC this

7 morning, Mr. Tuckman's remarks at a meeting last week as
8 reported in Inside NRC.

9 I had some of the same reaction that I guess Brian
10 Sheron had at the meeting itself. If things are as bad as
11 being talked about, no one is going to match the GALL
12 program and GALL is not much of a document, et cetera,
13 aren't we headed towards customized reviews?

14 We have not budgeted for customized reviews. We
15 have assumed that we are going to get some resource savings
16 as we go forward with license renewal and if at least parts
17 of things can't be laid aside because somebody says my
18 program matches, and we can with high assurance bank on that
19 and say okay, we can cut our review back in this area, then
20 there isn't going to be much benefit. There isn't going to
21 be much efficiency.

22 So how bad are things? I mean are we, are you all
23 saying that GALL is so specific, so prescriptive, so
24 dominated by new requirements you never heard of before, et
25 cetera, et cetera, that people are just going to take their

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1 chances and disregard the document and basically come in
2 with their own license applications and each will be
3 different and these efficiencies will not be there?

4 I mean you are worried about efficiencies for you
5 all putting together applications.

6 I am worried about efficiencies for us which have
7 been assumed in our budgets in reviewing the applications if
8 we don't have a template, if everybody isn't working to a
9 template and if things are not getting checked off.

10 MR. BEEDLE: Commissioner, I think we are
11 certainly concerned about the resources of our members.

12 We are also concerned about the resources that the
13 NRC has to devote to this and that is why the use of the
14 Standard Review Plan, the GALL, NEI's guidance document on
15 how to prepare the license renewal -- all those we thought
16 work together to provide an efficient mechanism by which we
17 would produce an application and one would be reviewed by
18 the Staff in an expeditious manner.

19 The resources that the NRC devotes to license
20 renewal above and beyond what they currently have schedule
21 have got to come from somewhere and we see them coming from
22 other programs that we would like to have reviewed and other
23 efforts that are ongoing within the agency, so it is very
24 important to us on both the NRC side and on the industry
25 side from a resource point of view.

27

1 What to do with GALL? I think GALL is a good
2 product. We are not condemning the entire, the work that
3 has been done in there. I think our objective is to try and

4 capitalize on that review so that we don't have to expend as
5 many resources even in development of applications or in
6 review of applications, and use the information in GALL to
7 make that possible.

8 The thing we see in a number of cases are
9 additional requirements that the authors of GALL thought
10 were good ideas -- and we are not necessarily saying that
11 they are not good ideas -- we are saying they are ideas that
12 haven't been subjected to the scrutiny and review of the
13 regulatory process and we don't want to see them imposed on
14 the industry as new requirements.

15 I think in a lot of cases it is going to boil down
16 to how that is applied to the license review process.

17 COMMISSIONER MCGAFFIGAN: I have not reviewed your
18 comments, detailed NEI comments, that you are summarizing
19 here. How voluminous were they? Were they a half inch
20 thick or an inch?

21 Do I detect the possibility that you and Mr.
22 Lochbaum are in agreement that perhaps this report -- the
23 comments having been analyzed of all parties might need to
24 be re-put out for public comment? What is the process?

25 We have had other things like 50.59 Reg Guides and

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1 the rule itself where we have gone through extended
2 processes, lots of public meetings, obviously the Revised
3 Reactor Oversight Process, putting that together.

4 We had lots of public meetings. Is this a place
5 where at this point focused public meetings would be useful
6 to go through some of the stuff?

7 MR. BEEDLE: Public meetings may be worthwhile.

8 I think subjecting the documents to additional
9 stakeholder review would be beneficial to all of us.

10 MR. WALTERS: If I could just add, I think the
11 fundamental issue that is reported in the Inside NRC article
12 is really one of what is the expectation of the Staff when
13 an Applicant chooses to use GALL?

14 The meeting we had in November with the Staff was
15 very helpful in that regard, and what we thought we learned
16 is that in order to use a program evaluation in GALL or do
17 the match you have got to do -- if I am a license renewal
18 applicant, I have got to do an attribute evaluation, if you
19 will, of that program, put it next to the evaluation in GALL
20 and say do I match?

21 The example we used in the meetings -- suppose
22 GALL in that program evaluation says you do a walkdown every
23 week, but your walkdown is every other week.

24 Have you met what is in GALL? The answer is no.

25 So what that requires me to do as an Applicant is

1 identify that in my application and then provide a
2 justification of why every other week is okay.

3 Conversely, if I do it daily, I can say I met
4 what's in GALL, so --

5 COMMISSIONER MCGAFFIGAN: But why isn't that -- I
6 mean I am just from Missouri on this stuff.

7 Why isn't that okay? For efficiency we are
8 talking about there is a separate article in Inside NRC
9 about contractors and whether they have been brought up to
10 speed rapidly enough on Arkansas Nuclear Is and Hatch's
11 applications, et cetera, but part of the efficiencies in the
12 out-years is we are going to be relying on contractors, and
13 presumably, not to make policy judgments, not to make -- to
14 the extent that "more judgment is required" is one of the
15 quotes, you know, the quotes in the article suggest that you
16 all want the reviewer to have more ability to exercise
17 judgment.

18 That raises questions about our strategy that we
19 are going to rely more on contractors, because contractors
20 can definitely check boxes and say everything is okay here.
21 I hope they are not making judgements. They are not
22 supposed to be making judgments that go to the heart of
23 whether an applicant should be renewed.

24 MR. WALTERS: My response to that is what I
25 thought we were getting or what the industry thought we

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1 would get out of GALL is if it is an existing program, like
2 Section 11, that I am required to implement by regulation,
3 the conclusion that ought to be drawn in GALL is that GALL
4 evaluated it. It concluded that if you have a program that
5 is entitled "Section 11" --

6 COMMISSIONER MCGAFFIGAN: You're off.

7 MR. WALTERS: You're done. The GALL evaluation
8 stands.

9 I equate it frankly to what was done in the
10 environmental area with Category 1 and Category 2 issues,
11 because Category 1 environmental impact, the conclusion is
12 the evaluation and the GIS applies to all licensees and the
13 licensee's obligation is only to identify new and
14 significant information.

15 We don't have that same kind of conclusion on a
16 generic evaluation, it seems to me, in GALL.

17 COMMISSIONER MCGAFFIGAN: Maybe the nuances
18 whether --

19 MR. WALTERS: I understand.

20 COMMISSIONER MCGAFFIGAN: -- whether to bring it
21 every 14 days as opposed to seven is new information.

22 The one other place where I sense a similarity

23 between NEI and Mr. Lochbaum is again based on Mr. Beedle's
24 separate recent letter with regard to the need for Part 54
25 to be adjusted -- or license renewal to be adjusted for

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1 50.69 if 50.69 goes forward.

2 I think you are coming at it slightly differently
3 but I think you are both saying you want a risk-informed
4 license renewal and your fear that you don't have it if you
5 don't amend Part 54.

6 Mr. Lochbaum fears you already have it but he is
7 just -- although he admits he doesn't have the answers to
8 all of his questions -- but it strikes me that you are both
9 asking for how complicated is license renewal going to be
10 for somebody who doesn't exist at the moment but who has
11 implemented Part 69 before he comes in for a license renewal
12 application, and you favor selective implementation and so
13 it would be Part 69 for some systems and not others, and Mr.
14 Lochbaum doesn't favor that and we'll see what happens.

15 That gets to his chart about how complicated it is
16 going to be, but are you -- I'll let David answer this
17 one -- do you sense some closeness there in wanting clarity
18 at least as to how license renewal interacts with
19 initiatives such as Part 50.69?

20 MR. LOCHBAUM: I can't speak for NEI but I think
21 more clarity would be helpful, I assume for all parties.

22 I don't think it is just for licensees who adopt
23 risk-informed special treatments before. It is also for
24 ones who have gotten your license application based on GALL,
25 in part on GALL, and you adopt it afterwards.

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1 The issue is germane irrespective of when the
2 license renewal application comes in, I think, or at least
3 it could be.

4 COMMISSIONER MCGAFFIGAN: I am not sure. I mean I
5 saw that in your thing, but I don't want to dominate the
6 discussion, but I am not sure -- I am less worried about
7 that, the case where it is adopted afterwards, because it is
8 now a license, it has a certain period, and we are just
9 looking at it, and so if they adopt 50.69 I don't quite see
10 that, but it could be. I better shut up though.

11 CHAIRMAN MESERVE: Commissioner Merrifield.

12 COMMISSIONER MERRIFIELD: Thank you, Mr. Chairman.

13 Mr. Beedle, in terms of some of your comments
14 today, I know some of the concerns about where the Staff is
15 going on GALL have come to fruition as a result of
16 discussions we have had, some generic safety issues,
17 fatigue, GSI-190, and also ongoing issues associated with
18 cable aging in GSI-168, and you have gone into some degree

19 of detail about the concerns you have.

20 You like GALL but you have got some concerns about
21 the direction the Staff is going.

22 Do you have some specific recommendations about
23 methods the Commission can work with our Staff to improve
24 this process in order to get the outcomes that you would
25 like?

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1 MR. BEEDLE: Well, let me go back to a question
2 that Commissioner McGaffigan raised about the use of other
3 than your Staff to do the review.

4 If the intent is to utilize contractor support to
5 do the review of the license renewal process, then you need
6 *to provide those contractors with some guidelines on how to
7 go about that process of review.

8 Right now that GALL report is a fundamental
9 document that will be used by those contractors and that
10 means that the GALL Report has to be pretty clear as to its
11 use and the examples and requirements in there need to be
12 pretty faithful to the requirements that exist for the
13 plants today.

14 We can't allow the GALL -- and that is what our
15 big concern is -- that the GALL becomes a document that
16 drives the development of new regulations for the industry.

17 I think the answer to your question lies in the
18 faithfulness to the GALL to reflect the lessons learned and
19 to be faithful to the regulations that exist today.

20 COMMISSIONER MERRIFIELD: There is a careful
21 balance that I think Chris Grimes and his staff have tried
22 to achieve, and perhaps we'll go into this during new
23 testimony, and that is making sure that they continue to
24 process the license renewals in a timely manner that is
25 expected by the Commission and not put too many resources

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1 into the GALL that would take away from that balance.

2 That is certainly something we can continue to
3 consider.

4 I different area I think for me is some issues
5 learning from what we have done relative to Calvert Cliffs
6 and Oconee.

7 I think there is the impression of some that the
8 GALL Report wraps into all of the lessons that we have
9 learned from those two initial license renewal cases and as
10 a fact of the matter, it doesn't. It does incorporate some
11 of the lessons that we have learned and indeed our Standard
12 Review Plan also incorporates some of those as well.

13 Right now I think it is the Staff's intention, at
14 least I have been told that we are not going to have a
15 separate NUREG incorporating the Calvert Cliffs and lessons

16 learned from Oconee but instead we will be updating NRR
17 Office Letter 805 that will serve as that mechanism.

18 I guess the question I have coming out of this is
19 do you think that that will appropriately -- is that an
20 appropriate mechanism to be able to incorporate those things
21 for which we have learned about Calvert Cliffs and Oconee in
22 the process.

23 MR. BEEDLE: Well, I think it is probably an
24 appropriate mechanism -- you know, what is included in it is
25 going to really be the issue and how the industry is able to

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1 review that and look at it before it becomes a document used
2 in the review of the license application.

3 COMMISSIONER MERRIFIELD: But at this juncture you
4 cannot determine whether what we are looking at as the
5 result of those two license renewals is appropriate. Would
6 that be fair? Or do you think we are going in the right
7 direction?

8 MR. BEEDLE: I don't know. Doug, would you --

9 MR. WALTERS: If I understand the question, you
10 are saying are we headed in a direction --

11 COMMISSIONER MERRIFIELD: Well, we have learned a
12 lot from Oconee and Calvert Cliffs.

13 MR. WALTERS: Right.

14 COMMISSIONER MERRIFIELD: Are we taking best
15 advantage of it irrespective of some of the things we are
16 doing in the GALL, but the other means that we are using to
17 take those lessons, are we getting the value that we should
18 out of it for future license renewals?

19 MR. WALTERS: My reaction would be yes, in
20 general.

21 I think so. Obviously we have pointed out,
22 identified some areas where that was not the case, but
23 probably in general we are headed in that direction.

24 COMMISSIONER MERRIFIELD: Okay.

25 MR. WALTERS: And I am not sure on the Office

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1 Letter whether that is the right mechanism or vehicle. That
2 is probably the right area to talk about some of these
3 things like using GALL as a checklist and what I would
4 consider to be the misuses of GALL but in terms of the
5 adequacy or I will call it the technical adequacy of GALL I
6 am not sure you can address that in the Office Letter.

7 COMMISSIONER MERRIFIELD: Okay. Mr. Lochbaum, you
8 used a football analogy.

9 One of the main issues you have come up with is
10 the notion that we put a draft GALL report out, asked you to
11 comment on it, and then at the same time we have asked our

12 contractors to begin efforts towards doing a next revision.

13 I haven't accepted or rejected the notion we
14 should have an additional comment period, but like in
15 football one doesn't want to sit on the ball.

16 I think there was an interest on the part of our
17 staff given the fact that this is a living document that
18 they continue to move the ball down the field in tandem,
19 recognizing that perhaps that document can further be
20 affected and changed by the comments that they receive from
21 you and others -- and perhaps our folks didn't want to be
22 treated like Norv Turner and get canned because of it -- but
23 I just -- how do we, recognizing this is a living document,
24 how do we move through that process?

25 I mean really what you are saying is once we lay

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1 that out as a draft for public comment we have to freeze our
2 actions.

3 Really that seems to me what you are saying, that
4 we can't really do anything else on that document until we
5 wait the 90 days, receive all these public comments, and
6 then we can move forward.

7 Given what we have to do with the resources we
8 have, simply stopping in place doesn't necessarily seem
9 responsible from a regulatory perspective.

10 MR. LOCHBAUM: I agree with that fully. However, I
11 don't think it was necessary that the document be issued in
12 August 31 other than to meet some date that was arbitrarily
13 set at a prior Commission briefing.

14 Knowing that Argonne already had a contract to
15 significantly revise the document, the Staff could have
16 waited until Argonne at least had a first cut at the
17 revisions and issued that version of the draft document and
18 still allowed minor changes to continue on.

19 We are definitely in favor of progress, but that
20 document that Argonne produced or is preparing is
21 significantly different than the document that the public
22 was asked to look for.

23 If the Argonne document or its derivative is
24 issued, the people who wasted their time looking through the
25 document the Staff issued are not going to be very happy,

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1 because it is significantly different and they are going to
2 think that their comments were pretty much neglected by the
3 Staff.

4 COMMISSIONER MERRIFIELD: That is a fair question.
5 I am hopeful that the Staff will address that in their
6 presentation.

7 The last point, very quickly, you have some
8 concerns about one-time inspections. To borrow one of your

9 analogies, certainly Goldilocks determined whether the
10 porridge is too warm or too cool. You know, obviously, time
11 is important but there also has to be some flexibility for
12 the Staff because they are situations we have to deal with.

13 One could lock oneself into a very rigid timeline
14 for when we conduct one-time inspections, which may or may
15 not be appropriate, even along the lines of what you want to
16 do.

17 How do we get a balance there, so that we provide
18 our Staff with some flexibility in terms of that timing and
19 get meet some of the requirements that you want to have the
20 information mover further forward?

21 MR. LOCHBAUM: Well, I think by minimizing the
22 number of times that one-time inspections are utilized in
23 lieu of other mechanisms you have minimized, you haven't
24 eliminated your problem, but you have indeed minimized the
25 problem of timing.

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1 I was encouraged during the September workshop
2 when there was some suggestion that the industry could go
3 out and do the one-time inspections today or tomorrow, and
4 the Staff said no, we want them to be further or closer
5 towards the license renewal period, not today, because that
6 may not be a reflective indication of degradation, so that
7 was -- I understand that argument and I am in favor of that
8 but our concern was every time a licensee comes up with a
9 hard spot if they fall back on one-time inspections that
10 then gets very, very large, and if there is anything in
11 there that shouldn't be in there you are not going to know
12 until it is too late to really factor that back into the
13 regulatory process.

14 So if you keep that bin as small as possible and
15 only put things in there that really should be in there,
16 then I think everybody wins.

17 COMMISSIONER MERRIFIELD: Thank you, Mr. Chairman.

18 CHAIRMAN MESERVE: Thank you. Mr. Beedle and Mr.
19 Walters, I would like to come back to something the others
20 have raised. It's obvious that this whole activity is a
21 very important one to the Agency.

22 One of the great benefits that we had anticipated
23 getting out of this exercise is the capacity to be able to
24 handle the large number of license extension applications so
25 we anticipate in an efficient fashion.

40

1 You have indicated, maybe a little grudgingly,
2 that you thought the GALL Report was a good product, but the
3 main thrust of this has been very grave concerns about
4 various aspects of this product, and I am trying to pin you

5 down a little further.

6 Are we a year away from having a document that
7 would be acceptable from your point of view? What effort do
8 you think would be necessary to have this serve the purposes
9 that you think the document should have?

10 MR. BEEDLE: Well, I think I would like to reserve
11 answering that question until after the Staff tells you what
12 they intend to do with that GALL.

13 [Laughter.]

14 MR. BEEDLE: I mean we have been in this position
15 before where I wish I had changed my entire presentation
16 after hearing the Staff, but it goes to how the GALL will be
17 used.

18 If the GALL is used as a mechanism to reduce the
19 amount of detailed review that the licensee has to do for
20 programs that have already been reviewed and discussed in
21 GALL, then I think we have probably got an effective
22 mechanism for streamlining and making more efficient the
23 process for the licensee as well as the NRC Staff, but if
24 the GALL is used as a detailed checklist and it is used to
25 impose new requirements, if it is used as a line by line

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1 review against the review that the industry has done and we
2 end up having to answer questions in a BWR for PWR plant
3 systems, then I don't think we have really accomplished our
4 objective -- so it is implementation.

5 CHAIRMAN MESERVE: Let me make sure I understand
6 one of your concerns. I mean obviously the reason why this
7 whole effort was undertaken by the NRC is because of issues
8 that are raised by the extended period of operation and as a
9 result of that, I think one ought to expect that there may
10 be some things that are acceptable in the regulations for
11 the existing term that may have to be augmented as a result
12 of extended period of operation.

13 If I understood your criticism of the checklist
14 approach, it was not so much that at least for the existing
15 plants that have been evaluated, Oconee and Calvert Cliffs,
16 they've gone in and they have found some things in the
17 existing system that need to be augmented for the extended
18 term.

19 To the extent that that actually has been the
20 determination, as I understand it, that you don't have a
21 problem with that being described in the GALL in those
22 terms, it's where you perceive the GALL has added issues
23 that were not addressed in those particular plants.

24 MR. WALTERS: That's correct. Yes, sir.

25 CHAIRMAN MESERVE: And I mean you have given an

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1 example or two -- how extensive are the instances in the

2 GALL Report where you perceive the Staff is laying down
3 requirements, considerations, items that could become a
4 checklist that were ones that were not exposed as a result
5 of the experience with Calvert Cliffs and Oconee?

6 MR. WALTERS: I would say that the list of issues
7 that represent that concern is probably 20.

8 CHAIRMAN MESERVE: Twenty items?

9 MR. WALTERS: Yes, and we have got an agreement
10 with the Staff that we will look at those, and some are of
11 more importance to us than others.

12 CHAIRMAN MESERVE: Mr. Lochbaum, I would like to
13 come to what you had indicated was the main concern was the
14 fidelity issue and the consequences of a large number of
15 voluntary options and the diversity that that might then
16 create.

17 I am puzzled about one aspect of your
18 presentation. I understand the issue as you have presented
19 it. What I don't really appreciate is the -- I don't
20 understand fully is the reason that that presentation is
21 given to us today in the context of license renewal and that
22 it seems to me that this is an issue that exists with regard
23 to any of various efforts to produce the possibility that
24 there will be two options, and it is not a license renewal
25 specific issue at all.

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1 I recognize it may be with us longer because of
2 license renewal but as a regulatory issue it seems to me it
3 is there regardless of whether we have license renewal going
4 on now or not.

5 MR. LOCHBAUM: A couple of reasons. One, the
6 opportunity was here today --

7 [Laughter.]

8 MR. LOCHBAUM: -- but perhaps more importantly is
9 I have heard numbers that two-thirds of the licensees will
10 go for a license renewal application. I haven't gotten
11 numbers that would indicate what the breakdown is for other
12 voluntary initiatives, so it seems to be the one I have
13 heard that most plant owners will be going through, so it
14 seemed to be the most applicable of the various voluntary
15 initiatives.

16 However right or wrong that is, that was the
17 rationale.

18 CHAIRMAN MESERVE: I appreciate the point and I
19 think that it is one that is one that the Commission will
20 continue to grapple with as we go forward as we deal with
21 various of these proposals that might have a voluntary
22 component to them and how far we should go and I think we
23 are going to work our way through that.

24 But let me say on the other side is that my
25 perception is, and I may stand corrected by those on the

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1 other side of the table, that we do have basically a
2 situation where we don't have standardized plants in the
3 United States, that the current licensing plans for most
4 operating plants differ one from the other.

5 We already have a great deal of complexity and the
6 fact that you have the variety of options at any given plant
7 isn't all that different from what we have today, at least
8 to the extent that we don't have standard tech specs that
9 are in place.

10 MR. LOCHBAUM: That's true. There is a greater
11 consistency among the regulations as they are applied to the
12 licensees. It is true that how those regulations were then
13 applied to individual plants varied fairly largely depending
14 on age of the plant and a number of other factors, so that
15 the regulations as applied to a specific plant vary from the
16 regulations as applied to an adjacent plant, perhaps even a
17 sister plant, sometimes even at the same site.

18 But I think that situation is different than when
19 you have the regulations themselves different and the rules
20 of the game are significantly different for all the fleet of
21 operating plants.

22 I think then you have constant regulations applied
23 differently and then you go through a whole potpourri of
24 regulations that are applied inconsistent -- not
25 inconsistent but variously.

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1 I think it just makes it harder for the Staff down
2 the road to do a backfit analysis for generic communication
3 or any response to an industry event applies because we
4 don't have a constant set of regulations as the evaluation
5 tool.

6 You would have to go through all the various
7 options on that chart or however the final chart ends up to
8 figure out whether you are or are not going to impose a
9 generic requirement.

10 CHAIRMAN MESERVE: I appreciate the problem. It
11 is one that we will be working with.

12 I would like to thank the panel. I very much
13 appreciated the reason why we have reversed the order here
14 and have the Staff come second is that they are
15 presumably -- the function of this meeting was to hear the
16 Staff's response to comments and we wanted to hear the
17 comments directly first and then we'll hear what the Staff
18 has to say about it, so thank you very much.

19 MR. BEEDLE: Thank you.

20 MR. WALTERS: Thank you.

21 MR. LOCHBAUM: Thank you.

22 MR. MIRAGLIA: Good afternoon, Mr. Chairman and
23 Commissioners.

24 We are here to brief you today on the comments we
25 received from the industry and the public on the draft

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1 license renewal documents that we have heard discussed by
2 the first panel.

3 We will attempt to address the key issues raised
4 by the public comments and by Mr. Beedle and Mr. Lochbaum,
5 Mr. Walters in their presentation today.

6 It is important to point out that the license
7 renewal documents are works in progress and we will continue
8 to work with our stakeholders as we progress to final
9 issuance.

10 There was discussion of the industry meeting with
11 the license renewal steering group putting some issues and
12 further discussions with the Staff at a meeting in November
13 and those discussions with all our stakeholders. We plan to
14 continue.

15 With me at the table today are Dr. Brian Sheron,
16 Mr. Scott Newberry, Dr. P.T. Kuo, Dr. Sam Lee from the
17 Office of Nuclear Reactor Regulation, and Dr. Jitendra Vora
18 from the Office of Nuclear Regulatory Research.

19 Drs. Kuo, Lee, and Vora were principals in
20 preparation of those documents.

21 We will have Dr. Sheron make some introductory
22 remarks, and Drs. Kuo, Lee, and Vora will provide the
23 principal briefing.

24 DR. SHERON: Thanks. As Mr. Miraglia just
25 mentioned, we have completed and issued the drafts of the

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1 GALL Report as well as our license renewal Standard Review
2 Plan and Regulatory Guide, and that was last August.

3 Our plan right now is to continue to have further
4 interactions with our stakeholders in the form of public
5 meetings as we continue to evaluate and incorporate the
6 comments.

7 As I said, we have heard some comments here today.
8 We received some from the license renewal steering committee
9 meeting we had -- I think it was last week -- from the
10 industry, but the plan is to try and work through them, as
11 Frank said, to hopefully come up with a final document that
12 meets everybody's intent by next April to submit to the
13 Commission.

14 At this recent meeting we had of the license
15 renewal steering committee, which was last week, we did hear
16 this concern from Mr. Tuckman with regard to the GALL

17 Report.

18 The way he described it was that basically if you
19 look at the GALL Report in terms of aging management
20 programs they feel that perhaps we have added for example,
21 if you go through two PWRs each one may have a different
22 program. Well, you put of them in GALL and then the next
23 licensee comes in and is expected to meet both of those and
24 there's maybe an overlap.

25 That was not the intent of GALL. We need to

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1 obviously do some more work, interact with the industry to
2 understand the concerns in a more specific matter, but we
3 have taken a commitment to work with the industry on that
4 specific concern.

5 Mr. Lochbaum expressed some concerns with that
6 report and I think we can address those as part of our
7 presentation or as part of the question and answer.

8 Basically we believe the GALL Report combined with
9 the Standard Review Plan does provide specific for focusing
10 Staff reviews on the elements of an acceptable Aging
11 Management Program or Programs.

12 Our draft Regulatory Guide endorses the NEI
13 guideline 95-10 without exception, which would facilitate
14 hopefully the preparation of license renewal applications
15 and we believe collectively the GALL Report along with the
16 Standard Review Plan and the Regulatory Guide will not only
17 help ensure safety and public confidence in the renewal
18 process but should significantly increase our Staff
19 effectiveness and efficiency in processing license renewal
20 applications and in addition we hope will reduce the
21 applicant's burden to that necessary to produce an
22 application that meets our requirements.

23 At this time I am going to turn it over to Dr.
24 P.T. Kuo, who will continue the presentation.

25 DR. KUO: Thank you, Dr. Sheron.

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1 Mr. Chairman and Commissioners, as directed by the
2 Commission in the Staff Requirements Memorandum for SECY
3 99-148, the Staff undertook the task to develop the guidance
4 documents to provide credit for existing programs for
5 license renewal.

6 We took advantage of a wide range of information
7 including past research reports published by the Office of
8 Research, operating experience, documents like NRC Generic
9 Letters, Information Notices, and Bulletins, as well as
10 licensees' event reports and the lessons learned from the
11 reviews of the first two license renewal applications.

12 As an existing program is evaluated for license
13 renewal, the technical basis for acceptance is documented in

14 accordance with the criteria set forth in the Standard
15 Review Plan for license renewal.

16 Where existing programs need to be augmented, it
17 is clearly identified in the documents. A development
18 process has been open to all stakeholders. The Staff has
19 had many public meetings and two workshops during this
20 process. Next slide, please -- the one before that. Right.

21 As you heard from the first panel, the improved
22 license renewal guidance consists of three Staff documents
23 and the one NEI developed industry guidelines.

24 These four documents are kind of interrelated, as
25 you already heard. The Standard Review Plan references the

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1 GALL Report as the technical basis document for providing
2 credit for existing program and also provides guidance to
3 the Staff reviewers to focus their reviews on areas where
4 existing programs should be augmented for license renewal or
5 new programs proposed by an applicant.

6 The Staff Regulatory Guide, DG-1104, proposes to
7 endorse the NEI guideline 95-10, as Dr. Sheron pointed out.

8 The Staff proposed to endorse this guideline
9 without exceptions, but we'll ensure that it is consistent
10 with the Standard Review Plan for license renewal. Next
11 slide, please.

12 It has taken a considerable team effort for
13 developing these three -- these documents. The team
14 included the NRR staff from three divisions -- Division of
15 Engineering, Division of Systems Safety Analysis, and
16 Division of Inspection Program Management.

17 It also involved the Staff from the Office of
18 Research and the Staff from the Office of General Counsel.

19 The Staff also had the benefit of assistance from
20 two national laboratories, Argonne National Laboratory and
21 the Brookhaven National Laboratory.

22 In addition, we also had two rotation assignees
23 assisting us during their rotation period to the license
24 renewal and the standardization branch, one from the Region
25 II office and the other from the Office of the Nuclear

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1 Materials Safety and Safeguards.

2 Furthermore, the Staff has significantly
3 benefitted from the feedback provided by all stakeholders.
4 The ACRS performed their reviews of the drafts issued in
5 August 2000 and provided their views in a letter dated
6 November 15th, 2000 to the Commission.

7 The Staff has also received constructive comments
8 from the industry and the public interest groups during the
9 two workshops in December, held on December 6, 1999, and

10 September 25, 2000 as well as many other meetings held after
11 the earlier drafts were issued -- were made publicly
12 available.

13 The Staff received a significant number of written
14 comments from the industry, the public interest groups, and
15 the general public after the August drafts were issued.
16 These comments are being evaluated by the Staff and they
17 will be published as a separate NUREG report.

18 The details of these comments will be discussed
19 later.

20 The Staff believes that for developing these
21 documents the Staff has benefitted from the experience of
22 the Staff members who conducted the reviews of license
23 renewal applications, and the Staff has incorporated the
24 lessons learned from the review of the initial license
25 renewal applications and has aggressively sought and

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1 continues to seek all stakeholders' participation during the
2 entire development process to ensure clarity and the
3 technical adequacy of these documents.

4 With this brief background, Mr. Jit Vora of
5 Research Staff is going to brief the Commission on the
6 Office of Research's contribution to this effort.

7 Mr. Vora?

8 MR. VORA: Good afternoon. In the next two
9 viewgraphs Number 5 and Number 6, I'd would like to present
10 to you, the key elements of the RES-sponsored aging research
11 program that supported the development of the guidance
12 document.

13 Research provided the technical bases for aging
14 program assessment. From a technical perspective, the aging
15 assessment of a system, structure, or component whether
16 electrical or mechanical component or civil structure,
17 involved the understanding of materials, stresses, the
18 environment, and the interaction over time with the result
19 into age-related degradation effects.

20 While the mitigation of the decremental effects of
21 aging involve the effectiveness of testing, inspection,
22 maintenance, replacement, refurbishment and quality
23 assurance and environmental control.

24 The past aging research program addressed these
25 elements of understanding in mitigating aging for selected

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1 long-lived passive components and structures.

2 The ongoing research program continues to provide
3 the technical basis for aging program assessment, and the
4 development of the guidance document.

5 In this regard, the RES sponsored nuclear plant
6 aging research or the NPAR program, provided significant

7 input and insight for the development of this guidance
8 document.

9 The starting point for the original version of the
10 GALL report that was published in 1996, involved a
11 systematic compilation and comprehensive review and analysis
12 of plant aging information.

13 The significant amount of data and information
14 came from the review and analysis of some 141 technical
15 reports that were developed as a part of the Nuclear Plant
16 Aging Research Program over a ten-year period from 1984 to
17 1994.

18 The resolution of generic safety issues and other
19 research programs also provided input for the development of
20 the GALL report.

21 The current version of the GALL report is further
22 refined and incorporates the technical data gained from the
23 program of the resolution of generic safety issues, and the
24 additional research that was completed from 1995 to year
25 2000, after the initial completion of the Nuclear Plant

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1 Aging Research Program in 1994.

2 The reviews of the operating experience and expert
3 opinion also provided data for building the foundation for
4 understanding and mitigating aging in many of the
5 safety-related components and structures within the scope of
6 license renewal.

7 Now, in Viewgraph Number 6 I would like to present
8 to you some of the specific contributions which Research
9 made to the development of the GALL Report.

10 As I mentioned earlier, the experience gained from
11 the research completed through the resolution of generic
12 safety issues has contributed to the development of the GALL
13 report.

14 Examples include the GSI-168 on the environmental
15 qualification of low-voltage instrumentation control cables;
16 GSI-190, on the fatigue evaluation of metal components for
17 60-year plant life.

18 The examples of specific Research programs that
19 contributed to the development of GALL report include: The
20 thermal aging of cast stainless steel; the steam generator
21 tube integrity; fatigue; cable aging; reactor pressure
22 vessel embrittlement; piping; non-destructive examination;
23 the swelling of reactor internals; and stress corrosion
24 cracking of reactor internals.

25 Further, the significant insights were gained from

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1 the Staff expertise and Staff participation in activities of
2 the National Consensus Codes and Standards activities such

3 as IEEE, ASME, and American Concrete Institute.

4 The members of the RES staff are active
5 participants in guidance development teams involving the
6 development of the GALL report, the certain elements of the
7 Standard Review Plan, the resolution of generic technical
8 issues related to license renewal, in the conduct of license
9 renewal workshops, interactions with NRR contractors and
10 with NEI for the resolution of specific technical issues and
11 in field inspections.

12 As Dr. Kuo mentioned, it was a total team effort.
13 The current version of the GALL report that exists today
14 regards the benefits of the research results that we have
15 completed over the last 15 years of research work.

16 Similarly, the ongoing research work we are doing
17 today would benefit for the future improvements and
18 development of guidance documents.

19 With this thing, I would now ask Dr. Lee who will
20 make the next part of the presentation.

21 DR. LEE: Slide number 7. The GALL report is a
22 catalog of aging effects, programs, and program evaluation.

23 It's based on extensive information from Office of
24 Research programs, previous staff review of NUMARC which is
25 now NEI, industry reports on license renewal, LERs, and NRC

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1 generic -- and also the Staff review of the initial license
2 renewal applications.

3 As PT described, the GALL evaluation follows the
4 license renewal rule that requires aging management of
5 structures and components, to maintain the internal function
6 for the period of license renewal.

7 If the GALL report determines that an existing
8 program is adequate, then they will indicate that no further
9 staff evaluation is necessary; otherwise you point out that
10 -- inspection, recommended programs should be implemented
11 for license renewal.

12 Some of the examples are for programs that are
13 adequate as is, the -- qualification, DEQ or electrical
14 equipment, and erosion/corrosion monitoring of carbon steel
15 piping.

16 Another example that you heard earlier in the
17 first panel was the personnel airlock. In that, we
18 identified aging mechanisms or aging effects for the hinges.
19 But the program, the existing program have been determined
20 to be adequate, so no further evaluation is required.

21 An example where the program should be augmented
22 are the in-service inspection, and reactor vessel --
23 program. Those are examples.

24 The GALL report describes one acceptable method to
25 manage aging, and one of the examples that you heard earlier

1 is on buried piping.

2 In there, we try to capture the lessons learned.
3 We know buried piping has aging effect, but in this case,
4 the Calvert Cliffs and Oconee, they took very different
5 approaches because of the plant-specific configuration and
6 environment.

7 So, we were struggling in terms of how we document
8 that, and when we actually did more looking into it, we
9 found a -- standard, National Association of Corrosion
10 Engineering. It's a standard that is quite generalized and
11 we thought that would be one acceptable way.

12 We are not imposing that on all applicants; we
13 just thought that was general enough that should fit some of
14 the applicants.

15 And although GALL is a catalog of aging
16 evaluations, it's not to be used to identify structures and
17 components within the scope of license renewal. That is
18 plant-specific, and it depends on the current licensing
19 basis for that plant.

20 You heard earlier about voluntary initiatives. If
21 an applicant adopts that or licensee adopts that to meet
22 regulations, that becomes part of their current licensing
23 basis, and they have to scope their plan for license renewal
24 according to that current licensing basis for that plant.

25 Okay, the next slide. The extent of the -- the

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1 staff guidance in reviewing a license renewal application,
2 and that is what the Staff used, they used the Standard
3 Review Plan.

4 What you heard earlier from the NEI slide was the
5 GALL fits into the application. The way the SRP is
6 structured, it extracts the information from GALL report,
7 and we assess no further evaluation, and that just tells the
8 reviewer that's not -- you review the place where the
9 program should be augmented to focus the staff resources.

10 And like you heard before, it incorporates lessons
11 learned in accordance with the SRM, and the Staff will
12 perform the initial license application, and who are
13 actually doing the -- right now, part of the team in
14 preparing this document.

15 And you also heard earlier from NEI about
16 implementation of GALL SRP, how the Staff is going to use
17 this SRP. We understand there is a concern raised by the
18 NEI, and this is something we need to work out with the
19 stakeholders.

20 The next slide. The Reg Guide proposed to endorse
21 NEI 95-10, which provides guidance to an applicant in

22 preparing a license renewal application. The Staff is
23 revising GALL and SRP to address public comments.
24 NEI plans on updating 95-10 to be consistent with
25 the final GALL and SRP.

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1 The next slide. You also heard this earlier. In
2 December of last year, we held our first corporate workshop.
3 We also make early draft of the GALL and SRP publicly
4 available to invite early stakeholder involvement.

5 We received significant comment from the industry
6 through the NEI License Renewal Task Force. As a result, we
7 have 12 public meetings with NEI before August to discuss
8 their comments, and also the Union of Concerned Scientists
9 provided five technical reports and we addressed them and
10 referenced them in the GALL report.

11 We issued this guidance document for public
12 comment in August, and during the comment period, we have
13 another public workshop that's in September.

14 And we received written comments from over 100
15 commenters. And despite our effort to explain the license
16 renewal process, we had a media article that misrepresented
17 the role of this guidance document.

18 And this prompted many individuals and public
19 interest groups to send in brief statements against license
20 renewal, thinking that we are going to grant generic renewal
21 licenses without public involvement. That is a
22 misunderstanding, but we are taking this opportunity to
23 provide written responses back to these individuals and
24 public interest groups to clarify the license renewal
25 process and to explain the opportunity for public hearings

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1 in plant-specific applications.

2 We received significant comments from industry, as
3 you heard before, and we already had like four meetings with
4 NEI to discuss the comments. And also like you heard before
5 from NEI, we are working on remaining items.

6 The next slide. We received wide ranges of
7 comments, and it goes from general statements to very
8 specific technical comments.

9 And we are addressing these comments after we
10 engage the stakeholders to further discuss the comments and
11 understand the basis for the comments. And the first panel
12 discussed some of the comments.

13 Here are some examples of comments. We can put
14 them into four categories here:

15 They are editorial, process-related, or comments
16 on GALL not providing sufficient credit for existing
17 programs; and also GALL provides too much credit.

18 In the first category of editorial, industry

19 recommends changing the GALL format to improve the clarity
20 of the document and also to be closer to the industry
21 documentation format.

22 And you also heard from the public interest,
23 indicating that this is unfair because the public is
24 commenting on a document that is still changing. To us,
25 this is editorial because the changes we contemplate are

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1 format.

2 Some of these changes are like the current GALL is
3 like in two pages, side-by-side, is very cumbersome to
4 handle, and when you put it on the Web, you only see one
5 side of the page; you can't see the other side; it's not
6 very user-friendly.

7 And then also it has redundant information. So we
8 are considering simplifying it, streamlining it to take out
9 the redundant information, and also consolidating the
10 program evaluation to one place, rather than scattered
11 throughout like right now.

12 Okay, but we are not making technically
13 substantively changes, to us, in terms of the format issue.

14 In the category of process-related comments, the
15 industry commented that they want to maintain these guidance
16 documents as living documents, to be updated, to capture
17 additional lessons learned from future reviews of
18 applications, and we also have a similar comment from ACRS
19 on that.

20 And the next category is on GALL not providing
21 sufficient credit. NEI challenged the basis for GALL that
22 recommends to open certain existing programs with one-time
23 inspection. You heard that before.

24 The purpose of this one-time inspection to the
25 Staff is to confirm that aging is not significant. This is

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1 part of the evaluation. If it determines that there is
2 active degradation going on, we do not use one-time
3 inspections; we ask for a proactive program.

4 So this is more confirmation to provide additional
5 assurance that aging is not significant, and that's why we
6 ask to defer these inspection as late as possible to give
7 time for the aging effect to manifest itself.

8 In the last category, this is where GALL provides
9 too much credit. The public interest groups cited the
10 experience of steam generator tube programs as an example
11 where a generic evaluation is not sufficient.

12 The next slide, please. This is the status. We
13 have continued to evaluate public comment, and as you have
14 heard many time before, we have continued to engage the

15 stakeholders to discuss their comments and to understand the
16 basis of their comments, and to resolve the comments.

17 And also in accordance with the SRM, we plan to
18 submit the final document for Commission approval in April
19 2001.

20 And this concludes the Staff's presentation on the
21 status.

22 MR. MIRAGLIA: Thank you, Dr. Lee. I think what
23 the Commission heard from Panel I is that the GALL document
24 has served a useful purpose. I think the process that we've
25 been engaged in has been a productive one for the Staff, as

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1 well as the public stakeholders and the industry.

2 The questions that you hear are really in terms of
3 implementation. The GALL is to inform the SRP and the Reg
4 Guide that is eventually endorsed.

5 I think the key to that is to have further
6 dialogue with our stakeholders so they can understand the
7 role of GALL in informing the acceptance criteria that are
8 in the Staff's Standard Review Plan.

9 And as indicated, we intend to have future
10 interactions with our stakeholders on these matters. That
11 completes the Staff's presentation, and we'll take questions
12 from the Commission.

13 CHAIRMAN MESERVE: Thank you, Dr. Miraglia. Thank
14 you all for the presentation.

15 Let me turn to my colleagues. First, Commissioner
16 Diaz.

17 COMMISSIONER DIAZ: Thank you, Mr. Chairman. Dr.
18 Vora, you talked extensively about Research programs that
19 have been used in this context of license renewal and the
20 aging effects.

21 Would you tell me, you know, all of this extensive
22 research programs, would you consider that they are
23 necessary, the ones you used for the implementation of the
24 aging management program?

25 MR. VORA: The program that we have completed, Dr.

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1 Diaz, on the Nuclear Plant Aging Research Program, over a
2 ten-year period, involved the aging assessment of both
3 active components as well as long-lived passive components
4 and structures.

5 The active components also included like pumps and
6 valves, the breakers and relays, battery chargers which are
7 safety-related components.

8 And there, the focus was actually operability, as
9 well as the long-term performance.

10 While the work that we did for passive components
11 and structures, I feel was extremely beneficial for this

12 application, because what we did, we identified the basic
13 approach and strategy to understand and manage aging in any
14 component, system, or structure in operating nuclear power
15 plants.

16 And the approach was the same with the materials,
17 the stresses, the environment, and their interactions over
18 time achieved through the aging effects.

19 And then we looked into mitigation aspects, so I
20 think to answer your question, I think it provided
21 significant insight and input, and approach and strategy, I
22 think has been developed such that I think throughout the
23 nuclear community around the world, and with interactions
24 with IAEA and other entities, how to go about understanding
25 and managing aging.

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1 COMMISSIONER DIAZ: Okay, so from using a
2 technical word, you think they are necessary?

3 MR. VORA: Yes, yes, sir.

4 COMMISSIONER DIAZ: Are they sufficient?

5 MR. VORA: I think the initial scope when we
6 started out, actually was actually based on the faith
7 approach to studies, and as scientists and engineers, of
8 course, we like to get into more and more details about
9 analyzing the microstructural aspects of it, but to be
10 practical, I think we provided sufficient information.

11 COMMISSIONER DIAZ: Okay, scientists on aging
12 always like to have more details.

13 [Laughter.]

14 MR. VORA: It provided the foundation and the
15 start for the program.

16 COMMISSIONER DIAZ: Okay, they are presently
17 sufficient.

18 MR. MIRAGLIA: I just wanted to add and to point
19 out the comment you made to the earlier panel, and that is
20 that the whole issue of -- you know, the license renewal
21 rule is a process rule, and as you indicated in your
22 comments and questions, Commissioner Diaz, we have a vast
23 number of processes available, and some of them were
24 discussed by Dr. Vora, Dr. Kuo and Lee, in terms of
25 operating experience.

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1 The research we've done, we feel, is sufficient to
2 move forward, but in terms of sufficiency, we believe it's
3 sufficient today.

4 But as we do further research, as we gain further
5 operating experience, that's going to inform the process.

6 So in terms of finality, the regulatory process is
7 not a final process; it's a dynamic process. The technical

8 process document that was the foundation for Part 54
9 recognizes that, in that we continue to learn.

10 That's why we're a rarity in terms of the
11 international community in nuclear power. We issue a
12 license for 40 years. Most countries issue it for a period
13 of time and reexamine.

14 We feel that we issue, we review, we license, and
15 we inspect, and we have a process that moves on in an
16 orderly way, and we have a number of processes to take
17 action at any point in time to maintain and assure
18 reasonable assurance.

19 COMMISSIONER DIAZ: Let the record show that Mr.
20 Miraglia enlarged on a point very well today. You earned
21 your keep today. Thank you, sir.

22 [Laughter.]

23 MR. MIRAGLIA: I'm going to take the rest of the
24 week off.

25 [Laughter.]

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1 COMMISSIONER DIAZ: Dr. Kuo, you talk about focus
2 on areas where assistant programs should be amended.

3 DR. KUO: Yes, sir.

4 COMMISSIONER DIAZ: Again, give me a sense of how
5 large is this, this issue, where, you know, where there are
6 existing programs. That's an issue that the Commission was
7 worried about.

8 We wanted to say when programs existed, and
9 they're justified, you know, that they should be augmented,
10 of course, is a contentious issue or could be contentious.
11 I think NEI think it's contentious.

12 Where are we? How big is big? Give me a sense,
13 please.

14 [TAPE 6 WAS BAD]

15 DR. KUO: Let me try. The example I will use is
16 to use the experience from Calvert Cliffs and Oconee plant
17 reviews.

18 Based on the experience of those two plant
19 reviews, roughly there is a 30/70 split there. Probably 70
20 percent of existing programs are okay; they're acceptable.

21 But there are 30 percent of the programs that may
22 need a little -- some degree of augmentation or maybe a few
23 new programs.

24 COMMISSIONER DIAZ: I see. And so are you
25 satisfied that you have identified the majority, realizing

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1 that we're in a dynamic process?

2 DR. KUO: I believe so.

3 COMMISSIONER DIAZ: You believe so, okay. Let's
4 see, Dr. Lee, as you, you know, are continuing to evaluate

5 the sum total of these things, the issue comes up to a
6 question of value-added by safety-wise to us on some of
7 these programs.

8 Are we adding additional requirements? Could you
9 briefly tell me what is the discipline that the Staff issues
10 or will use to determine what additional requirements should
11 be established? What is the discipline?

12 DR. LEE: We have been working on GALL -- the
13 discipline -- we have the applications. And we have
14 management involved. We have the same thing, okay? We have
15 the Staff actually reviewing the applications, and also
16 reviewing the initial applications. They bring that
17 experience forward.

18 We are involved with the same managers.

19 COMMISSIONER DIAZ: No, I'm talking about the
20 actual -- what we're dealing with today, the GALL report,
21 the Standard Review Plan, you know, the Reg Guide, what is
22 the discipline when additional requirements are added in
23 there? What is the discipline that the Staff goes through
24 to make sure that those are really appropriate and
25 commensurate with safety?

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1 DR. LEE: The Staff, I guess, the standard we use
2 is the license renewal rule that requires aging management
3 of structures and components to maintain the intended
4 function consistent with the current licensing basis.

5 So we are not raising the bar, per se. We are
6 just maintaining the licensing basis.

7 COMMISSIONER DIAZ: Okay.

8 MR. MIRAGLIA: Can I perhaps add to that,
9 Commissioner Diaz?

10 The Commission spoke to backfitting in license
11 renewal when we issued Part 54 in terms that the Staff
12 should not backfit to change the current licensing basis,
13 other than for requirements that we felt were necessary to
14 maintain the current licensing basis within the context of
15 the renewal period.

16 Certainly, the Reg Guide is going to set
17 limitations. The Standard Review Plan sets limitations.

18 The GALL report is essentially a compendium of
19 technical evaluations that have been done to date. It's
20 going to be essentially for one of the examples given, as
21 the starting point, and I think it was in the discussion
22 with Commissioner Merrifield as well -- perhaps it was
23 Commissioner McGaffigan -- that talked about was it wise and
24 at a reasonable point to start if that standard that Dr. Lee
25 talked about for corrosion/erosion that wasn't part of the

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1 experience to date, but we know it's an issue out there to
2 try to deal with and identify.

3 Here is a standard that would be acceptable to the
4 Staff. The example that was given to Panel I is that if we
5 compare against the GALL report and it says seven days and
6 we have 14 days, then we have to discuss the points of
7 departure.

8 So if they could describe a disposition that 14 is
9 good enough to handle it within the period of time, and it's
10 consistent with the acceptance criteria in the SRP, then I
11 think those would be the controls.

12 In addition, there was a discussion of Office
13 Letter 805. And there is a linkage between the 805. Letter
14 805 are process issues in terms of internal staff processes,
15 which are absent from the GALL report. And they're more the
16 technical evaluation.

17 So there is a relationship between those, so I
18 think the broad guidance for backfitting, and how it's to be
19 handled in 54, has been established by the Commission in the
20 Statement of Considerations for that rule and the Staff is
21 implementing that through the SRP and the internal guidance
22 provided by the Staff.

23 COMMISSIONER DIAZ: Thank you, Mr. Chairman.

24 CHAIRMAN MESERVE: Commissioner McGaffigan?

25 COMMISSIONER MCGAFFIGAN: Just to clarify one

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1 point to start, Mr. Lee, you said that the Argon report or
2 the Argon update has no technical changes; it's a formatting
3 change.

4 And so that alone would not appear to require any
5 additional public comment; is that right?

6 You have a different format if the technical
7 substance -- if you're talking about, as you were saying,
8 whether you can see two pages at once and things like that,
9 whether it was web-friendly and all that -- if those are the
10 changes, that would not require a round of public comment.

11 DR. LEE: That was our instruction to Argon, not
12 to touch any technical substance. I can understand Mr.
13 Lochbaum's concern, if someone just looked at the August
14 version and the proposed version, they're quite different,
15 okay?

16 Like one is two pages; one is one page. Okay, we
17 look some more and see some columns have been deleted, okay?
18 And then some of the information don't appear over here
19 anymore; they got centralize someplace else.

20 So things have been moved around and we eliminated
21 redundancy. And that is the direction we've given to the
22 contractor.

23 COMMISSIONER MCGAFFIGAN: This is a massive

24 document. How difficult would it be to have some sort of
25 guide as to how one goes from the draft document to the

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1 document that you'll be later giving to us, if these are
2 just format things?

3 You know, we have revised the format, see Appendix
4 A to understand how to relate this document to the previous
5 document?

6 Is that something that's possible?

7 MR. MIRAGLIA: I'm not sure how difficult that
8 would be to do. But certainly it's the Staff's intent to
9 have further dialogue with all the stakeholders to respond
10 to their comments and to try to articulate where we are, and
11 we'd do that in future meetings.

12 COMMISSIONER MCGAFFIGAN: In terms of the process,
13 if you continue to aim for an April date to present this to
14 the Commission, how many -- I had the impression earlier
15 that there was a large number of issues in response to the
16 Chairman who talked about maybe 20 issues that really need
17 to be resolved.

18 Do you agree with 20, and how many meetings is it
19 going to take to resolve these 20 issues? And some of them
20 may not be resolvable.

21 How many more meetings do you envision, based on
22 your comments so far, based on the meeting last week? How
23 many more meetings do you envision, and how do you plan to
24 structure them?

25 MR. MIRAGLIA: In terms of the technical issues

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1 that was 20, I'm not sure of the substance, and based on Mr.
2 Walter's comments, I would assume that are more important,
3 and some may be less tractable than others, so it's
4 difficult to make an assessment.

5 That staff meeting between the stakeholders was
6 just last week. In addition, the meeting with the steering
7 group, the licensing steering group, was just last week and
8 raised the issue of the relationship of GALL to the SRP and
9 a clear understanding of the acceptance criteria.

10 And that's going to take some time, and I think
11 the Staff is willing to tackle those issues in a disciplined
12 kind of way.

13 COMMISSIONER MCGAFFIGAN: I don't want to set an
14 artificial deadline.

15 MR. MIRAGLIA: And to give something at this time,
16 without really understanding --

17 COMMISSIONER MCGAFFIGAN: We have set an
18 artificial deadline, but that doesn't mean we can't recant
19 it.

20 MR. MIRAGLIA: Well, with respect to that last
21 comment, the Staff is being responsive to the Commission's
22 direction, and to have this thing published in that kind of
23 timeframe that we are.

24 COMMISSIONER MCGAFFIGAN: The comment document,
25 one of the presenters, and I forget which, mentioned that

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1 there was going to be a NUREG that will consist of the
2 comments -- was it Dr. Kuo -- and presumably the responses
3 to the comments. Is that going to all be in a large NUREG
4 document?

5 DR. KUO: Yes, sir.

6 COMMISSIONER MCGAFFIGAN: Is that going to be
7 presented to us in April as well? I mean, I'm just trying
8 to understand the process.

9 DR. KUO: That's all --

10 COMMISSIONER MCGAFFIGAN: The whole thing. So you
11 give us what you propose to be the final SRP -- not -- all
12 these are living documents, but an SRP and GALL report as it
13 exists next April or whenever, and a document saying how you
14 -- dealt with the comments that you received one each of
15 those documents?

16 MR. MIRAGLIA: We would prepare those drafts to
17 the comments, and those would be used as the basis for
18 discussions in public meetings, and that would all be
19 documented in a NUREG.

20 DR. KUO: That is correct. See, before we can
21 finalize the GALL SRP, all that, we have to be able to
22 resolve all the comments, in our mind.

23 COMMISSIONER MCGAFFIGAN: One way or the another?

24 DR. KUO: One way or the other.

25 COMMISSIONER MCGAFFIGAN: Agree with them or

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1 disagree with them?

2 DR. KUO: Right.

3 COMMISSIONER MCGAFFIGAN: I'll go back to a
4 comment that Dr. Miraglia made and it was picking up on me,
5 so I'm just -- I guess we're in a compliment Frank day here
6 -- but I really do think that the Staff -- Mr. Lee said that
7 when you dealt with corrosion of underground piping, you
8 found this National Association of Corrosion Engineers
9 thing, because Oconee and Calvert had dealt with it so
10 differently, and you were --

11 This is a good faith effort to toss out something
12 that might be a mechanism that everybody could adhere to.
13 That sounds to me like a not unreasonable thing.

14 The alternative is to get each licensee from now
15 till 130 or whatever number of plants it is, dealing with
16 the issue differently.

17 So I'm not sure that that's imposing an additional
18 requirement. It's saying here is something we have found
19 that makes sense. That's what you're trying to do, Dr. Lee?

20 DR. LEE: That's correct, yes.

21 COMMISSIONER MCGAFFIGAN: And on the 14 days
22 versus seven days, I don't see why it's a tremendous burden
23 to say 14 days is different from seven, but we think it's
24 okay.

25 But that gets to -- well, whatever. These are

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1 issues that you all have to work out in the next few months.

2 When this all is presented to us, there's
3 effectively -- if we put -- if we put these documents out
4 while they're sitting before us for our vote, there will be
5 effectively another round of public comment, we'll
6 effectively find out at that point, whether everything has
7 been resolved adequately or we'll get a sense of the debate
8 that still remains come next April or May or whenever it is,
9 just by the act of putting the papers out while we're voting
10 on them.

11 And I personally will advocate that because these
12 are pretty massive. I'd just as soon somebody else help me
13 sort out what the real issues are in this four inches of
14 document, than do it all on my own.

15 COMMISSIONER DIAZ: Commissioner McGaffigan, you
16 have not read the document?

17 [Laughter.]

18 COMMISSIONER MCGAFFIGAN: I have not memorized it.

19 [Discussion off the record.]

20 CHAIRMAN MESERVE: Commissioner Merrifield?

21 COMMISSIONER MERRIFIELD: Thank you, Mr. Chairman.
22 I want to follow up a little bit on the issue that
23 Commissioner McGaffigan brought up. It strikes me that we
24 are in a period where there is a balance.

25 And that is we can't be in a position where we

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1 have a program, a generic program locked in using the same
2 program for years. There's got to be some flexibility, yet
3 at the same time, we have to recognize that we have to be
4 very disciplined in allowing ourselves to have -- so that we
5 don't have a position where each -- is dealing with
6 something dramatic and different.

7 How do we strike that balance? How do we do so in
8 a manner that appropriately brings into play, concerns
9 raised by all of our stakeholders?

10 MR. MIRAGLIA: I think the process that we laid
11 out is going to help us doing that. Will there always be
12 issues of are we doing more or are we doing less? For

13 example, some of the things that we've talked about, the
14 focus has been in the GALL, are to identify programs that
15 need augmentation.

16 And if the 70/30 split remains that Dr. Kuo talked
17 about, remains true for all others, we've taken 70 percent
18 of the issues off the table, perhaps.

19 The GALL document is going to be comprehensive, in
20 that it's going to try to evolve and identify what industry
21 is doing for both B's and P's, and I hope the Staff would be
22 receptive enough to hear an industry issue of that the
23 program we're asking for is not applicable to their plant,
24 or BRP.

25 So, I think we have a process for doing that. I

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1 think a lot of the concern is a better understanding of how
2 we're going to implement and move forward. I think the
3 guidance is out there, and it becomes one of managing the
4 process.

5 This was true with the first two reviews. There
6 was lots of skepticism as to whether the Staff would be able
7 to deliver in terms of the issues, and we have lots of
8 mechanisms in place. There's a -- starting with the
9 interest of the Commission, we have management review, we
10 have licensing renewal steering group, and I think there are
11 mechanisms to bring the issues of debate to the Commission.

12 So I think the process is our friend, so to speak,
13 in this area, and I think we've laid the process out. I
14 think we need to implement it, and we need to pay attention
15 and manage the process.

16 COMMISSIONER MERRIFIELD: I talked a little bit
17 earlier about the NRR Office Letter 805, and as it relates
18 to the GALL. Is it your feeling that those two pieces will
19 encompass all of which we need to take from Calvert Cliffs
20 and Oconee, or are there other things we need to be doing to
21 make sure we have the full benefit of that process?

22 MR. MIRAGLIA: Well, perhaps Dr. Sheron, but as I
23 recall, what was in the 805 was the to lay out the process
24 and then have the management, the review processes, the
25 management of the RAI kinds of issues, and those internal

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1 processes.

2 And maybe my Division is clearer than it is, but
3 Brian, do you want to add to that in terms of 805?

4 DR. SHERON: It was basically a process office
5 letter in terms of how one conducts the reviews to keep the
6 Staff on track, to make sure things didn't get bogged down,
7 and management never knew about it, and the like.

8 It was always a matter of here's the process, and,
9 you know, if you hit a snag in the process, here is how we

10 move to resolve it.

11 Okay, that's rather than, you know, having it drag
12 on where management doesn't even know what's going until the
13 licensee comes in and calls us at the last minute, saying,
14 you know, gee, we've been working this issue for three years
15 with the Staff, and we're not resolving it, and management
16 says, you know, we didn't even know that.

17 So, you know, the other thing we're trying to do
18 also is add to it. As we learn new things, as we see
19 improvements, way we can improve the process, we issue
20 revisions. I think we're up to Revision 3 right now or
21 something like that.

22 So we are, as we -- as we learn, okay, we try and
23 modify, add to it, again, to improve the process and make it
24 more efficient.

25 COMMISSIONER MERRIFIELD: The followup question I

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1 have is associated and deals with the issue of resource
2 implications. One of the things we talked about for a long
3 time is recognizing the need to take the benefits of the
4 Calvert Cliffs and Oconee license renewal to make sure that
5 our process is disciplined and we're utilizing our staffing
6 balance between plant-specific issues and finding the more
7 generic concerns.

8 But we had also recognized that we expected that
9 as we went along in this license renewal process, as we go
10 from having two in hand, having eight in hand or 12 in hand,
11 that there are resource expenditures and savings that we
12 expect to get down the line.

13 We haven't talked too much about those resource
14 implications, but I was wondering if you could briefly touch
15 on how this, how the GALL report and how other efforts to
16 take advantage of those will result in some of those
17 anticipated resource savings down the line?

18 MR. MIRAGLIA: Well, this has been a concern, not
19 only to the Commission, but to the Staff, in recognizing the
20 needs to manage, manage the resources. And we've been
21 working with the industry in attempting to project what our
22 workload would be.

23 Those are basically incorporated into our budget
24 assumptions, and clearly the GALL report is aimed at making
25 the process more effective and efficient in terms of the

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1 technical reviews.

2 To the extent that we're successful in taking 70
3 percent of the existing programs, and taking them off the
4 table, that certainly is a step in the right direction.

5 We're still going to learn more. We're doing our

6 first BWR review, and to the best of my knowledge, we
7 haven't hit major new snags in terms of issues that are
8 being raised by a boiler that we haven't seen before.

9 But that knowledge is going to be gained. The
10 issue and question and concern that came up is the use of
11 contractors.

12 To the extent that we're able to provide guidance
13 in terms of a GALL and its relationship to an SRP that's
14 specifically, that will facilitate our use of contractors,
15 and the Staff will have to manage and make sure that the
16 contractor understands the review and are applying the
17 acceptance criteria in the appropriate kind of way.

18 These are all mechanisms that are in place. We
19 review what the project work load is, manage the schedules
20 in terms of the internal processes, and I think the Staff is
21 very sensitive to any potential adverse impacts on schedule,
22 and would have to apply resources as needed to address
23 emerging issues.

24 DR. SHERON: Frank, could I comment, too? That's
25 a good question, and we were just talking last week about

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1 Chris Grimes and his staff are setting up a very detailed
2 tracking process with the new Work Planning Center in NRR to
3 watch our resource expenditures as related to our budget
4 models as we proceed this fiscal year.

5 We've set an ambitious goal to become more
6 efficient as we enter into FY02. So, what we're setting up
7 is a month-by-month, quarter-by-quarter process to track how
8 we're doing this year, so we can make that comparison, look
9 at the deltas and apply feedback as necessary.

10 I think the Work Planning Center and the process
11 we've set up is going to help us do that.

12 COMMISSIONER MERRIFIELD: One last comment, Mr.
13 Chairman. There was a comment on the previous panel about
14 an attempt by our staff to meet a deadline imposed by the
15 Commission.

16 And I wouldn't want to leave out there, any belief
17 other than I would personally endorse the strong attempts of
18 the staff to meet the Commission's deadlines. I think
19 that's meritorious thing. Thank you, Mr. Chairman.

20 MR. MIRAGLIA: We see the guidance no other way.

21 COMMISSIONER MERRIFIELD: You get a gold star from
22 me, too.

23 [Laughter.]

24 CHAIRMAN MESERVE: I'd like to come back to
25 something that was raised by Mr. Beedle, and actually the

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1 specifics maybe aren't so important as the generic issue he
2 raised.

3 He indicated that -- he mentioned several times,
4 this standard for inaccessible areas, which I gather is an
5 ASME standard and the perception that the industry has on
6 that standard that the GALL report has found that standard
7 to be inadequate and that there was need to go beyond it.
8 And that this was, as I understood it, was something that
9 was not a determination that had been made in the Oconee and
10 Calvert Cliffs reviews themselves.

11 Perhaps you might explain how we got there? I'm
12 just sort of curious, because, as you know, we have an
13 effort to try to rely on standards, where appropriate.

14 DR. LEE: Actually in this case, for BG&E; and
15 Oconee, we actually asked the question about inaccessible
16 areas for containment, and for both cases, they provided
17 adequate answers. So they did not offer a new program, per
18 se, of containment.

19 Recently, an inaccessible area of containment
20 becomes an issue was when we start compiling the GALL
21 report. We found their operating experience in inaccessible
22 areas of containment has degraded.

23 And based on that, we looked for a program that
24 will address that. And we found out that the SME Section
25 11, the in-service inspection, does not really focus in that

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1 area. And that's why the GALL report points that out as an
2 area we need to look at.

3 CHAIRMAN MESERVE: You can appreciate the issue
4 that that presents for the industry that all of a sudden,
5 not only are we opening up a new regulatory issue perhaps
6 for them, but it is one which goes beyond, apparently,
7 relevant standards.

8 DR. LEE: That's correct, yes. In this case, what
9 we did was, we did not start with the standard. We start
10 out with the component and what aging effects it sees.

11 And then we looked for a program. If it matches
12 Section 11, great. If it doesn't, then we said, gee,
13 there's something missing and we have to do something.

14 MR. MIRAGLIA: The key is that the issue is -- the
15 question was raised in both of the reviews that we've done,
16 and it was an acceptable answer to address the question.

17 The question didn't point to -- it goes to
18 something very similar to what Commissioner McGaffigan
19 pointed out, is that we could not say that, and then
20 everyone would have to address that issue.

21 And this, the Staff was saying, here's a standard
22 out here, that if you use that, that would be an acceptable
23 way of responding to the issue.

24 CHAIRMAN MESERVE: Except in this case, it was

25 that the standard was not an acceptable way, as I understand

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1 it.

2 MR. MIRAGLIA: As augmented.

3 DR. KUO: If I may, I think the question hinges on
4 that the Section 11 IWE and IWL, that is endorsed by the
5 NRC's regulation 50.55(a). In that section, it basically
6 says that for inaccessible areas, the user can look for
7 signs in the surrounding areas.

8 If there are degradations in the surrounding
9 areas, then the user will go further to inspect the
10 inaccessible areas.

11 However, I think the Staff had evidence that there
12 are cases where there are -- there may be degradation in the
13 inaccessible areas, that will not give any signs in the
14 surrounding areas, therefore, the Staff said, well, you will
15 have to address the inaccessible areas, but never required
16 any program, inspection program, per se. It's really up to
17 the applicant to make an argument why the inaccessible areas
18 is not of concern.

19 And a case in point is Calvert Cliffs and Oconee.

20 CHAIRMAN MESERVE: I don't want to suggest that
21 the Staff should deal with this issue or any --

22 MR. MIRAGLIA: I'm sure it's among the 20 that
23 we're looking at.

24 CHAIRMAN MESERVE: Yes, it does seem to me,
25 however, that this is an example of an area where the

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1 comment that, gee, if we have a disciplined process to make
2 sure that when we're adding additional requirements,
3 particularly ones that are inconsistent with or where we
4 find an applicable standard to be inadequate, that we've
5 gone through a process that we've flagged those issues and
6 evaluated them fairly and made sure that we have something
7 that can withstand scrutiny as being justified.

8 MR. MIRAGLIA: That's fair.

9 CHAIRMAN MESERVE: You heard Mr. Lochbaum's
10 concerns about the Staff having to deal with multiple
11 regulatory configurations and the complexity that that adds.
12 The Staff is obviously on the front line in having to deal
13 with this issue, and perhaps it would be helpful if you
14 provided your perception on the problem.

15 MR. MIRAGLIA: As you indicated during the first
16 panel, this is an issue that's not unique to renewal. And
17 the question of as you have voluntary initiatives, you can
18 be coming up with multiple regulatory schemes.

19 The fact that the process is a dynamic process,
20 when we're in the renewal process, we look at the licensing
21 basis, and we're reviewing the issuance of the renewal

22 document. So it's a point in time where the licensing basis
23 is timed and the decisions are made at the licensing basis.

24 If subsequent to issuance of a renewal license,
25 future amendments come in, future changes come in, then it's

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1 going to be incumbent upon the Staff to look at those in the
2 context of the renewed license.

3 And so in terms of Mr. Lochbaum's questions of
4 making it a little bit more challenging to the Staff, I
5 think we would have to agree that this is not an issue that
6 hasn't been raised in the context of voluntary initiatives,
7 as you pointed out, Mr. Chairman.

8 So hopefully it doesn't have as many branches and
9 forks in the road as indicated by David's Superbowl analogy.
10 But it is a challenge.

11 CHAIRMAN MESERVE: We'd like to see the Redskins
12 on that chart.

13 MR. MIRAGLIA: I've given up.

14 DR. SHERON: Not this year.

15 COMMISSIONER DICUS: Thank you. Of these issues
16 that you have identified and of all the input that has come
17 from so many public comments and trying to finalize these
18 draft documents, are any of these policy issues or are they
19 technical issues?

20 DR. LEE: What we have seen so far is not policy
21 issues that we have identified.

22 MR. MIRAGLIA: I think they are focused more on
23 the implementation of the policy than questioning the policy
24 itself.

25 COMMISSIONER DICUS: Process, okay.

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1 MR. MIRAGLIA: Yes.

2 COMMISSIONER DICUS: I will follow up on
3 Commissioner Diaz's question regarding Research activities
4 and what has been done that were extended to the
5 international community.

6 We do get valuable research help from some of our
7 partners internationally. To what extent have any of them
8 been involved in drafting the GALL, the SRP, or the Reg
9 Guide?

10 DR. KUO: I can give you an example -- the metal
11 fatigue. We have actively been talking to the people in
12 Japan and they actually provide some input or insight rather
13 to the resolution of GSI-190.

14 MR. MIRAGLIA: I think to be precise in terms of
15 whether we have sought international comment on the GALL
16 Report, I don't believe that is the case, but in terms of
17 utilizing our programs and sharing research information --

18 COMMISSIONER DICUS: That is what I was looking
19 for.

20 MR. MIRAGLIA: -- I think that is incorporated.

21 COMMISSIONER DICUS: Are they interested in these
22 three documents?

23 MR. MIRAGLIA: I believe so.

24 DR. KUO: Yes, they are. Very much so.

25 MR. VORA: In that regard, I have been interacting

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1 with my counterparts in IAEA, for instance, and there is a
2 lot of interest in the cable aging as part of the program.

3 Also, actually I had an opportunity to present to
4 them and discuss about some of the attributes of the GALL
5 Report and the Standard Review Plan and there is significant
6 interest in that regard.

7 COMMISSIONER DICUS: Okay, thank you very much,
8 Mr. Chairman.

9 CHAIRMAN MESERVE: Good. I would like to thank
10 both panels for a very helpful presentation. License
11 renewal activity is one that is singularly important to the
12 Agency and I commend you for the work you have done to date
13 and there's obviously some further work that you plan to do
14 that is also going to be important to complete.

15 With that, we stand adjourned.

16 [Whereupon, at 4:02 p.m., the meeting was
17 concluded.]