

REQUEST REPLY BY 1/11/2000



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

COMSECY-99-042

December 22, 1999

*Approval subject to
attached comments.*

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Jesse L. Funches *Jesse Funches*
Chief Financial Officer

[Signature]
1/27/00

SUBJECT: DRAFT NUCLEAR REACTOR SAFETY CHAPTER OF THE
STRATEGIC PLAN

On July 7, 1999, I provided the Commission with the draft Nuclear Reactor Safety chapter of the Strategic Plan and asked approval to release the document to stakeholders for public comment and in preparation for the August stakeholder's workshop (COMSECY-99-024). The August 2, 1999, Staff Requirements Memorandum (SRM) on COMSECY-99-024 approved seeking stakeholder comments and directed the staff to address a number of issues concerning that draft chapter.

On October 21, 1999, I provided the Commission with a summary of the stakeholder comments on the draft Nuclear Reactor Safety chapter and the staff responses to those comments as well as to the items in the August 2, 1999, SRM. At that time, I had indicated that we planned to provide the revised draft Nuclear Reactor Safety chapter along with the complete draft strategic plan to the Commission in February 2000. However, we are able to provide the revised draft Nuclear Reactor Safety chapter of the Strategic Plan (Attachment 1) earlier than anticipated. This draft reflects revisions made to respond to stakeholder comments and items in the August 2, 1999, SRM. In developing this revised draft, the staff also considered progress on the Nuclear Waste Safety and Nuclear Materials Safety chapters in further refining strategies and measures for all four performance goals.

The Executive Council has reviewed the draft Nuclear Reactor Safety chapter and has approved its transmittal to the Commission. As with the Nuclear Waste Safety and Nuclear Materials Safety chapters, the Commission need not formally endorse the Nuclear Reactor Safety chapter until it is provided as part of the formal update of the entire strategic plan.

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Commissioner Merrifield's Comments on COMSECY-99-042

General

1. In my vote on COMSECY-99-024 dated July 15, 1999, I indicated that the draft Reactor Safety Chapter was not presented in a manner which is compelling, especially to stakeholders who are not familiar with the activities and issues currently confronting the NRC. I asked the staff to explore techniques to improve how the material presents to a wide variety of audiences. While the staff has made some improvements in this regard, more are needed. I agree with Commissioner Dicus that, at a minimum, the staff should consider writing a concise executive summary for each arena which more clearly portrays our goals, measures, and strategies.
2. As I stated in my votes on COMSECY-99-024 and COMSECY-00-0004, I am concerned about the lack of discussion in the Nuclear Reactor Safety chapter regarding our extensive effort to integrate, risk-inform, and improve the agency's reactor decommissioning regulations. These efforts should, if done properly, serve to reduce unnecessary regulatory burden, enhance reactor safety, and restore public confidence. The staff should consider including such a discussion in the narrative, as well as any strategies/measures deemed appropriate.
3. As I stated in my votes on COMSECY-99-038 and COMSECY-00-0004, many of the metrics and performance measures are written in an all or nothing format which results in a fairly negative impression. In the future, when addressing measures and metrics, I would prefer to have a range of measures from poor performance to outstanding performance.
4. As I stated in my votes on COMSECY-99-024 and COMSECY-00-0004, the staff should consider adding strategies and measures which ensure NRC's regulatory processes keep pace with the challenges associated with the economic deregulation of the electric utility industry.

Specific

1. Page 3. Strategic Goal Measure #4. The staff should consider adding a footnote referencing the definition of Radiological Sabotage in 10 CFR Part 73.
2. Page 6. Third Bullet. Narrative. The narrative discusses how the agency prioritizes licensing actions. In previous Commission meetings, the staff has discussed its prioritization process as it pertains to such things as license renewal applications, risk-informed licensing actions, cost-beneficial licensing actions, and improved standard technical specifications. The staff should confirm that the narrative accurately characterizes which licensing actions get "priority".
3. Page 9. Introductory Narrative After Performance Goal 2. Clearly, communication and public participation are important components of increasing public confidence. However, the introductory narrative seems to short-change the most important component - **demonstrating** to the public that the NRC is a competent regulator. The staff should enhance the introductory narrative so that it reflects the importance of 1) technically-sound regulatory decision-making, 2) a strong regulatory framework, 3) a sound oversight process, 4) predictability, and 5) consistency, to the goal of increasing public confidence.

4. Pages 9 & 10. Strategies. The strategies are void of discussion associated with the agency's efforts to provide training to our staff in the area of communication. Certainly, we have training initiatives associated with making our staff better communicators, especially in the area of risk. I believe it is clear that enhanced training in this area should be a strategy we pursue.
5. Page 11. Narrative Under Table. The metrics for the first four measures are all marked TBD. This will naturally draw the reader to the associated narrative. The current narrative leaves a great deal of uncertainty as to what has to be done before actual metrics are developed as well as the time frame for doing so. This narrative should be revised so that it is not so open-ended.
6. Page 14. Performance Goal Measure #3. In COMSECY-00-0004, the staff indicated that it is working on process enhancements that will improve the timeliness of future renewal applications. Given that the initial license renewal review efforts will likely be completed well ahead of the 30 month target, and this chapter is part of the FY 2000 - 2005 Strategic Plan, the staff should consider establishing a more aggressive performance goal measure for future license renewal applications.
7. Page 16. First Bullet. Narrative. Revise the first sentence as it currently implies that the NRC is implementing a revised reactor oversight program because we recognize our current oversight imposes a regulatory burden.
8. Page 17. External Factors. The list of major factors affecting the reactor safety arena does not identify electric industry deregulation as one such factor. I believe the staff may be underestimating the potential impact of this external factor. The staff should consider including it in the list.

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