

May 12, 2000

David J. Modeen, Director  
Engineering, Nuclear Generation Division  
Nuclear Energy Institute  
1776 I Street, NW., Suite 400  
Washington, DC 20006-3708

SUBJECT: INDUSTRY STEAM GENERATOR PROGRAM GENERIC LICENSE CHANGE PACKAGE

Dear Mr. Modeen:

Thank you for your letter of February 4, 2000, enclosing the industry steam generator program generic license change package, including the draft of NEI 97-06, "Steam Generator Program Guidelines," Revision 1. Your submittal of the generic license change package represents a major step in the effort to resolve the technical and regulatory issues related to the NEI 97-06 initiative and, in particular, the changes to the regulatory framework needed to facilitate full implementation of the NEI 97-06 guidelines. The NRC staff supports and encourages industry initiatives that enhance the efforts of both the industry and NRC to maintain steam generator tube integrity, and we recognize the effort and resources that the industry has focused on this important issue.

During public meetings with the industry on March 17, 2000, the staff outlined the process it intends to follow during the review of the generic license change package. As was stated during the meeting, the steam generator tube failure event at Indian Point 2 has delayed the start of the staff's review of the generic license change package. The NRC staff is currently reviewing the results of the latest Indian Point 2 steam generator inspections, results from previous inspections, the licensee's root cause evaluation, and the licensee's corrective actions as part of its determination as to whether the Indian Point 2 steam generators are safe to be put back into operation. In addition, the staff will be performing an evaluation of lessons learned from both technical and regulatory process perspectives.

In SECY-00-0078, "Status and Plans for Revising the Steam Generator Tube Integrity Regulatory Framework," the staff committed to the Commission that during the review of the generic license change package, it would assess the implications of the Indian Point 2 experience with regard to the new regulatory framework. In order to properly assess the implications of the Indian Point 2 experience, it will be necessary to complete most of the lessons learned evaluation prior to proceeding with the generic license change package. Therefore, we don't expect to start the review of the generic license change package until at least July and to complete the review any sooner than December 2000. This completion date is dependent on the Indian Point 2 schedule.

The staff understands the importance of this initiative and the effort required to get 100% participation by the industry. However, the staff has a number of commitments related to Indian Point 2 that must be addressed before we can complete our evaluation of the proposed framework.

During the NRC/NEI senior management meeting on April 26, 2000, you informed the staff that NEI is preparing a revision to NEI 97-06 which the industry could utilize now since the staff has been delayed in its review of the generic licensing change package. The revision will be entitled NEI 97-06, Rev. 1. NEI has indicated that some of the detail in NEI 97-06, Rev. 1B, which was provided in the NEI letter dated February 4, 2000, will be taken out since it pertains to the proposed generic technical specifications and technical requirements manual sections which have not been approved by the NRC staff. Once NEI 97-06, Rev. 1 has been approved by industry and is ready to be issued, NEI indicated that it will send a letter to the NRC discussing the revision.

Since the original version of NEI 97-06 was issued in December 1997, the staff views NEI's effort to issue NEI 97-06, Rev. 1 as a positive initiative. It is my understanding that this revision will include a number of NRC/NEI recommendations which have been made over the last two years to improve the steam generator tube integrity programs.

If you have any questions related to this letter or the staff's review of the generic license change package, please contact Jim Andersen of my staff (301 415-1437).

Sincerely,

*/ra by/*

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

The staff understands the importance of this initiative and the effort required to get 100% participation by the industry. However, the staff has a number of commitments related to Indian Point 2 that must be addressed before we can complete our evaluation of the proposed framework.

During the NRC/NEI senior management meeting on April 26, 2000, you informed the staff that NEI is preparing a revision to NEI 97-06 which the industry could utilize now since the staff has been delayed in its review of the generic licensing change package. The revision will be entitled NEI 97-06, Rev. 1. NEI has indicated that some of the detail in NEI 97-06, Rev. 1B, which was provided in the NEI letter dated February 4, 2000, will be taken out since it pertains to the proposed generic technical specifications and technical requirements manual sections which have not been approved by the NRC staff. Once NEI 97-06, Rev. 1 has been approved by industry and is ready to be issued, NEI indicated that it will send a letter to the NRC discussing the revision.

Since the original version of NEI 97-06 was issued in December 1997, the staff views NEI's effort to issue NEI 97-06, Rev. 1 as a positive initiative. It is my understanding that this revision will include a number of NRC/NEI recommendations which have been made over the last two years to improve the steam generator tube integrity programs.

If you have any questions related to this letter or the staff's review of the generic license change package, please contact Jim Andersen of my staff (301 415-1437).

Sincerely,

*/ra by/*

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

DISTRIBUTION:      EMCB RF      File Center      EMurphy      DMatthews  
                                 BBoger              JZwolinski      GHolahan      MMayfield

**DOCUMENT NAME:** *Accession Number M2003717159*

INDICATE IN BOX: "C"=COPY W/O ATTACHMENT/ENCLOSURE, "E"=COPY W/ATT/ENCL, "N"=NO COPY

OFFICE	EMCB:DE		EMCB:DE		EMCB:DE		DE:NRR	
NAME	JAndersen/ja		EJSullivan/ejs		WHBateman/whb		RHWessman/rhw	
DATE	5/4/2000		5/4/2000		5/4/2000		5/5/2000	
OFFICE	DE:NRR		EMCB:DE		NRR			
NAME	JRStrosnider		BSheron		SJCollins			
DATE	5/7/2000		5/11/2000		5/12/2000			

OFFICIAL RECORD COPY