

# POLICY ISSUE NOTATION VOTE

April 26, 2001

SECY-01-0074

FOR: The Commissioners

FROM: William Travers  
Executive Director for Operations

SUBJECT: APPROVAL TO PUBLISH GENERIC LICENSE RENEWAL GUIDANCE  
DOCUMENTS

## PURPOSE:

To obtain the Commission's approval to publish Regulatory Guide (RG) 1.188 "Standard Format and Content for Applications to Renew Nuclear Power Plant Operating Licenses" (Attachment 1), and NUREG-1800 "Standard Review Plan for the Review of License Renewal Applications for Nuclear Power Plants" (SRP-LR) (Attachment 2) for implementation. The RG and SRP-LR are based on the supporting guidance provided in NUREG-1801, the "Generic Aging Lessons Learned (GALL) Report" (Attachment 3), and the explanation of the staff's response to public comments in the accompanying NUREG-1739 "Analysis of Public Comments on the Improved License Renewal Guidance Documents" (Attachment 4).

## BACKGROUND:

By a memorandum dated March 24, 1999, the staff informed the Commission about the issue of crediting existing programs for license renewal. Subsequently, in SECY 99-148 the staff discussed this issue at length and presented three options for addressing it. Option 1, proposed by the Nuclear Energy Institute (NEI), was to not review the adequacy of existing programs. The staff proposed two options. Option 2 was to amend the license renewal rule to exclude structures and components subject to existing programs. Option 3 was to focus staff review guidance in the standard review plan on areas where existing programs should be augmented. In a staff requirements memorandum (SRM) dated August 28, 1999, the Commission approved Option 3 and directed the staff to focus the review guidance in the standard review plan on areas where existing programs should be augmented, as described in SECY 99-148, to provide credit for existing programs for license renewal. In approving Option 3, the Commission specifically directed the staff to:

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- Ensure that the GALL report received the benefit of the experience of the staff members who conducted the review of the initial license renewal applications.
- Ensure that lessons learned from the initial license renewal application reviews were incorporated into the GALL report and SRP-LR.
- Ensure that the regulatory guidance was clear and understandable to stakeholders so that the license renewal process would be stable and predictable for future applicants.
- Issue the draft GALL report and SRP-LR to solicit public comments.
- Seek stakeholder participation in the development of the draft GALL report and SRP-LR through activities such as workshops.
- Hold public meetings with stakeholders to resolve comments on individual issues.
- Brief the Commission after the public comment period and the staff's initial evaluation of the comments.
- Provide a recommendation to the Commission on whether it would be appropriate to resolve generic technical issues by rulemaking.

The staff has carried out Option 3 with the exception of the last item, which the staff will provide later in 2001.

In developing the GALL report and the SRP-LR, Office of Nuclear Reactor Regulation staff involved with the initial license renewal application reviews, Office of Nuclear Regulatory Research staff, and the Argonne and Brookhaven National Laboratories, have worked to make sure that the aging management programs relied upon to manage aging for license renewal reflect current industry practices. The staff has incorporated applicable lessons learned from the first four license renewal application reviews. The staff has also improved these documents as a result of incorporating comments received from stakeholders in response to a *Federal Register* notice soliciting comments (described below). As a result, these documents now reflect the staff's and stakeholders's experience with four of the license renewal reviews completed or currently under review (three pressurized water reactor reviews and one boiling water reactor review). As the staff develops more experience in subsequent reviews, it expects to periodically update these documents. For future revisions to these documents the staff would follow the normal approval process for issuance of such guidance (NRC Management Directive 3.7 and applicable office instructions) and will inform the Commission. If the need arises between updates to immediately notify license renewal applicants of relevant changes, the staff will use an interim information dissemination mechanism such as a Regulatory Information Summary. In developing the GALL report and the SRP-LR, the staff also considered the information in the five technical reports provided by the Union of Concerned Scientists (UCS) in a May 5, 2000, letter.

RG 1.188 (formerly DG-1104) was developed to provide applicants with guidance on information to be included as part of an application for license renewal. The RG endorsed NEI's guidance document NEI 95-10, Revision 3, "Industry Guidance for Implementing the Requirements of 10 CFR Part 54 – The License Renewal Rule," because it provides methods that are acceptable to the NRC staff for complying with the requirements of 10 CFR Part 54 for preparing a license renewal application. To complete the endorsement of NEI 95-10 by RG 1.188, the staff met with NEI in February 2001 to discuss several changes to NEI 95-10,

Revision 2. The staff requested the changes to make it consistent with the SRP-LR and the GALL report. Subsequently, NEI revised NEI 95-10 and submitted Revision 3 to the NRC by letter dated April 16, 2001. The staff has reviewed NEI 95-10, Revision 3, and has endorsed it in RG 1.188 without exceptions.

On December 6, 1999, the staff held a public workshop to invite the public to participate in the early development of license renewal guidance documents and to specifically gather feedback on which existing plant programs needed to be augmented for license renewal and which programs could adequately manage aging effects without being changed. The staff made an early draft of the GALL report available at the public workshop. Following the workshop, NEI submitted a significant number of comments that were discussed in subsequent public meetings. The UCS also submitted five technical reports following the workshop for NRC's consideration in preparing the draft GALL report. As a result of comments received and meetings with stakeholders, the staff revised and improved the draft GALL report, the SRP-LR, and DG-1104.

#### DISCUSSION:

In the August 31, 2000, *Federal Register* notice (65 FR 53047), the staff noticed the issuance of the draft GALL report, SRP-LR, and DG-1104 for public comment. These documents were made available in the Agency's document management system, ADAMS, and on the NRC's external web site to give stakeholders easier access to them. To facilitate gathering public comments on these draft documents and bring stakeholders up to date on the staff's efforts, the *Federal Register* notice also informed stakeholders that a public workshop was planned for September 25, 2000. Over 1000 comments were received from the September 25 workshop and in letters and emails sent to the NRC. Approximately two-thirds of the comments were submitted by NEI and one-third by private citizens, law firms, public interest groups, and utilities. The staff also provided copies of these documents to the Commission as requested in the August 27, 1999, SRM.

The staff has evaluated these stakeholder comments and has made changes, as appropriate, to the GALL report, the SRP-LR, and RG 1.188 to make them clear and understandable to stakeholders and to explain the staff's reasoning for its conclusions. In evaluating stakeholder comments, the staff has held public meetings with stakeholders to ensure that issues and comments were clearly understood and the basis for the staff's evaluation of an issue was clearly communicated. The staff's evaluation of stakeholder comments is documented in NUREG-1739. In addition, senior NRC managers who serve on the License Renewal Steering Committee have monitored the staff's efforts to resolve comments made by stakeholders.

On December 4, 2000, following the public comment period the staff briefed the Commission on its initial evaluation of the public comments. NEI and UCS also made presentations to the Commission at the briefing. Although NEI had not seen the results of the staff's disposition of the public comments, NEI said that there are certain areas where it believed the GALL report was establishing unjustified requirements for aging management programs and it disagreed with the staff regarding a few of the details in the license renewal guidance documents.

Following the Commission meeting, the staff devoted significant resources to communicating with NEI to address potential issues. The staff held a public meeting in December 2000 to define the scope of the issues. In addition to discussing issues raised by NEI, the staff told the

meeting participants the general nature of changes made to the guidance documents in response to the public comments. As a result of the meeting, NEI indicated which issues it wished to further discuss with management. In January 2001, the staff held three public meetings to discuss these issues. Most of the issues were addressed through these meetings and dialogue is continuing on remaining issues as described below.

The staff believes that all of the public comments have been adequately addressed. The most significant comment was the general concern about whether the public had an adequate opportunity to comment on the guidance, as described by the UCS, the Nuclear Information Resource Service (NIRS), and the Citizens Awareness Network (CAN). To address the general concern, as the staff has worked to finalize these license renewal guidance documents, the staff invited the public to participate in the meetings with industry. Specifically, the staff sent UCS and NIRS copies of meeting notices. In addition, the staff ensured that the resolution of comments was made publically available in meeting summaries. The staff also offered to meet with and requested comments from UCS, NIRS, and CAN to give them ample opportunity to offer comments after the formal comment period was over. To date, these stakeholders have not responded to the request. The staff will continue to ensure that the interested public have adequate opportunities to participate in future license renewal process improvements.

All comments from the industry have been resolved with the exception of six issues. The industry has agreed that the improved guidance should be approved at this time because it proposes to conduct a demonstration project to further improve the use of referencing to achieve efficiency, and because the staff has agreed to continue a dialog on the following five issues: (1) cracking of small-bore piping, (2) the degradation of bolting, (3) the role of monitoring loose parts in detecting loose bolts in reactor vessel internals, (4) the inspection and flow testing of fire protection piping, and (5) consideration of individual plant evaluation of external events (IPEEE) information in determining structures and components within the scope of license renewal. The staff and NEI agreed to have additional public meetings to exchange information on these five issues. Although significant progress has been made on clarifying how an applicant is to use the GALL report (the sixth industry issue) the demonstration project that NEI is sponsoring with several utilities will help resolve the remaining implementation details. The demonstration project is to be conducted by several future license renewal applicants. They will prepare sections of an application focusing on a few selected systems at their plants; for some selected systems, their aging management program will meet a GALL program; for others, the aging management program will be very similar to a GALL program; and for yet others, the program will be very different from the GALL program. The staff supports NEI's proposal and agrees that the demonstration project will help iron out implementation details. It will also provide near-term feedback to the staff on what efficiencies it can expect to achieve through the use of the GALL report. According to the preliminary schedule for the demonstration, utilities will submit sample sections of license renewal applications to the NRC in late April 2001. The staff and NEI would then interact over the next few months to support incorporating lessons learned into NEI 95-10 around August 2001.

It is the staff's expectation that future license renewal applicants will realize resource savings in preparing their applications if they choose to use the GALL report and RG 1.188. Applying the GALL report will reduce the need to review plant-specific aging management programs. If applicants follow the guidance in RG 1.188, the format and content of their application will be similar to previous applications which provides for efficiencies for both parties because it provides a standard format and content for a license renewal application which will provide efficiencies for the applicant in preparing and the staff reviewing an application. In addition,

when applicants state that their aging management programs are bounded by the GALL programs, the staff's review will shift from reviewing each program in detail to verifying the applicant's assertion. This will significantly reduce staff review resources and increase the efficiency of the review. The staff believes that the improved license renewal guidance documents will increase the stability and predictability of the license renewal review process because they describe the framework for a disciplined process that clearly articulates the evaluation criteria. They also provide a clear and sound technical basis to support the staff's conclusion that (1) actions have been identified and have been or will be taken with respect to managing the effects of aging during the period of extended operation for structures, systems, and components within the scope of the license renewal rule, (2) and that actions have been identified and have been or will be taken with respect to time-limited aging analysis that are required to be reviewed in accordance with the license renewal rule. These documents should also increase public confidence in the license renewal review process because the public was involved in developing them, and the public's comments were considered and incorporated, and because the documents will make the staff's license renewal reviews more predictable.

#### RESOURCES:

The staff presently has budgeted adequate resources for license renewal application reviews (which includes the anticipated efficiencies from the GALL report, SRP-LR, and RG 1.188) and adequate resources to finish issuing these documents. The staff is evaluating the need for additional resources to support the demonstration project and to continue dialog with the industry on improving the guidance documents. Additional resources will be reprogrammed in accordance with the Office of Nuclear Reactor Regulation's implementation of planning, budgeting, and performance monitoring practices, if necessary.

#### COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection. The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objections.

#### RECOMMENDATION:

That the Commission:

1. Approve publication of RG 1.188 and NUREG-1800.
2. Note:
  - a. The *Federal Register* notice for informing stakeholders of the availability of these documents and the documents supporting them is attached (Attachment 5).

- b. The Advisory Committee on Reactor Safeguards (ACRS) has been provided copies of these documents and was briefed on them by the staff on March 27, 2001, and April 5, 2001. The ACRS intends to issue its recommendation on these documents to the Commission.
- c. Letters have been prepared to inform the appropriate Congressional members to be responsive to commitments previously made to the House Appropriation Committee staff by the Chief Financial Officer to respond to the Conference Report for the Fiscal Year 2000 Appropriations Bill.
- d. The Office of Public Affairs has prepared a press release to announce the publication of these documents.

*/RA/*

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Attachments:

- 1. RG 1.188
- 2. NUREG-1800
- 3. NUREG-1801
- 4. NUREG-1739
- 5. *Federal Register* Notice

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- 1. RG 1.188
- 2. NUREG-1800
- 3. NUREG-1801
- 4. NUREG-1739
- 5. *Federal Register* Notice

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