



NUCLEAR ENERGY INSTITUTE

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William H. Rasin
VICE PRESIDENT
TECHNICAL REGULATORY

February 23, 1996

Mr. James L. Milhoan
Deputy Executive Director for Nuclear Reactor Regulation,
Regional Operations and Research
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

SUBJECT: Nuclear Energy Institute's Petition to Amend 10 CFR 50.54(a)

Dear Mr. Milhoan:

On June 8, 1995, the Nuclear Energy Institute (NEI) submitted a rulemaking petition to amend 10 CFR 50.54(a). The comment period for additional information and comment, specifically to the eight issues described in the *Federal Register* notice of the petition (60 *Fed. Reg.* 47716, September 14, 1995) ended on November 28, 1995. In recent discussions with the NRC staff, it is not clear whether a schedule for resolving the petition has been developed. We would appreciate information on your schedule for resolving the NEI Section 50.54(a) petition.

The primary purpose of the petition is to make the change process for licensee QA program descriptions consistent with the change process for other matters described in the FSAR. The petition continues to require NRC notification of all changes, and clarifies the criterion in regard to NRC review and approval of licensee changes prior to implementation, basing it on safety. The industry strongly believes that this petition will significantly improve the regulatory interface, and improve efficiency and effectiveness of implementing the regulations.

Currently NRC staff and licensees often become entangled in unnecessary and sometimes protracted interactions on the interpretation of the phrase "reduction in commitment," and whether the phrase relates to safety. An example is the recent QA program change associated with the selection and scheduling of audits that has been implemented by Grand Gulf (Entergy Operations, Inc.).

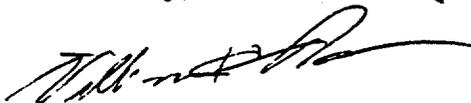
In the 10 CFR 50.59 change process for matters described in the FSAR, impact on safety is the deciding factor. The recent understanding attained on managing NRC commitments (SECY-95-300) focuses licensee and NRC attention on safety matters when

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considering a change to NRC commitments. Yet, debate continues on whether safety is a factor when considering changes to commitments in a licensee's QA program description included or referenced in its FSAR. The NEI petition, when approved, will resolve this inconsistency and significantly improve the regulatory process.

NEI will continue to propose improvements and support the NRC in its efforts to implement the Administration and Congressional initiatives on improving the regulatory process for the nuclear industry. If you have any questions, please contact Tom Tipton of the NEI staff at (202) 739-8107 or me.

Sincerely,



William H. Rasin

WHR/jes

c: Mr. William T. Russell (Director, NRR, NRC)
Dr. David L. Morrison (Director, Research, NRC)