

# POLICY ISSUE NOTATION VOTE

May 13, 2002

SECY-02-0081

FOR: The Commissioners

FROM: William D. Travers  
Executive Director for Operations

SUBJECT: STAFF ACTIVITIES RELATED TO THE NRC GOAL OF REDUCING  
UNNECESSARY REGULATORY BURDEN ON POWER REACTOR  
LICENSEES

PURPOSE:

To gain Commission approval of the staff's plans related to the performance goal of reducing unnecessary regulatory burden on power reactor licensees and related changes to Nuclear Regulatory Commission (NRC) Annual Performance Plan milestones in the Nuclear Reactor Safety arena, as called for in the NRC Strategic Plan. Specifically, the staff recommends that the Commission approve: (1) the initiation, development and submission of proposed rulemakings arising from the short-term, limited-scope initiative described in this paper without formal rulemaking plans; and (2) performance plan milestones to complete the limited-scope, short-term initiative (including issuing the small number of associated rulemakings) by September 30, 2004.

SUMMARY:

The NRC Strategic Plan directed the NRC staff, consistent with the year 2000 Energy and Water Appropriations Bill, to develop milestones related to reducing unnecessary burden caused by regulatory requirements imposed by the NRC. The NRC's strategy includes actively seeking stakeholder input and accordingly, the staff issued a notice in the *Federal Register* and sponsored a workshop in May 2001, to solicit comments on the NRC's activities to reduce unnecessary regulatory burden on nuclear power plant licensees.

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For the workshop and this paper, the staff groups activities into four categories: (1) risk-informed regulation; (2) obsolete, paperwork-oriented, and other (non-risk-informed) changes; (3) regulatory requirements other than regulations (e.g., Technical Specifications); and (4) the proposed information collection initiative discussed in the Annual Performance Plan for Fiscal Year (FY) 2002. The staff's plans for these areas are summarized below:

- The staff's activities related to risk-informing NRC regulations are described in the Risk-Informed Regulation Implementation Plan (RIRIP). The staff will continue to use the RIRIP to plan and define performance measures for activities related to risk-informing NRC regulations.
- The staff intends to undertake a short-term, limited-scope initiative to review and revise requirements that are not addressed by an ongoing activity and that could be completed in a limited time period with relatively few resources. The initiative will involve evaluating requirements that might be changed to reduce unnecessary regulatory burden and pursuing a small number of rulemakings, revisions to guidance documents, or other activities. In deciding which suggestions to pursue, the staff will consider issues raised by stakeholders during the workshop or in other forums. The staff intends to develop and submit the proposed rulemakings without a formal rulemaking plan. This is necessary for the staff to meet the established milestones for this activity.
- The staff will continue its current activities and performance monitoring for developing and revising Technical Specifications. No changes or actions requiring Commission review are being pursued at this time.
- The information collection initiative, described in the NRC Annual Performance Plan for FY 2002, was proposed to licensees and stakeholders. The initiative involved developing a process for collecting data (e.g., cost savings) and identifying activities that have the greatest impact on reducing unnecessary regulatory burden. Licensees generally disliked the idea of providing additional information regarding cost savings or other benefits for licensing actions. In light of the lack of support for this initiative and the expected lack of information voluntarily supplied by licensees, the staff is no longer pursuing this initiative.

#### BACKGROUND:

The NRC Strategic Plan, Fiscal Year 2000 – Fiscal Year 2005, describes the NRC performance goals for the Nuclear Reactor Safety arena, which are: (1) maintaining safety and protecting the environment and the common defense and security; (2) increasing public confidence; (3) making NRC activities and decisions more effective, efficient, and realistic; and (4) reducing unnecessary regulatory burden on stakeholders. The NRC Strategic Plan defines unnecessary regulatory burden on NRC licensees as requirements that go beyond what is necessary and sufficient to provide reasonable assurance that the public health and safety, the environment, and the common defense and security will be protected. The NRC Performance Plan and its associated goals and measures for reducing unnecessary regulatory burden do not directly credit many activities completed by the staff that reduce costs or provide operational flexibility to power reactor licensees. Examples of such activities include the processing of routine licensing actions proposed by licensees, processing of license renewal and license transfer applications, and rulemakings developed by the staff.

The NRC has periodically sponsored initiatives to review regulatory requirements to ensure that the agency's regulations and practices do not result in burdens beyond those necessary to ensure the public health and safety. Although these initiatives have resulted in significant reductions in unnecessary regulatory burden, licensees and other stakeholders state that the NRC can and should conduct further reviews to minimize unnecessary costs associated with its regulation of the nuclear power industry. The United States Congress further directed the NRC to reduce unnecessary regulatory burden in the year 2000 Energy and Water Appropriations Bill, which stated:

The Committee directs the Commission to examine reforms to the scope of power reactor regulations that will promote a higher level of confidence that the revised regulations, when issued, are consistent with the fundamental accountability of the Commission and that regulations which do not contribute to adequate protection are eliminated....

In addition, the Committee directs the Commission to review existing regulations to reform those that are outdated or paperwork oriented to a set of regulations that are performance based by 2004.

Consistent with the NRC Strategic Plan to actively seek stakeholder input to identify and discuss opportunities for reducing unnecessary regulatory burden, the NRC sponsored a workshop on May 31, 2001. The workshop involved a facilitated, roundtable discussion that engaged a broad spectrum of external stakeholders. The NRC staff also used notices in the *Federal Register* and on the NRC Web site to encourage participation in the workshop and to solicit comments from stakeholders on the NRC's efforts to reduce unnecessary regulatory burden. Approximately 45 external stakeholders representing 25 groups including members of the public, licensees, States, industry, and nongovernment organizations participated in the workshop. In addition, 11 organizations provided comments in letters to the NRC after the workshop.

#### DISCUSSION:

After reviewing the stakeholder comments and the information from the workshop, the staff compiled and summarized the suggestions for reducing unnecessary regulatory burden. In reviewing the comments, the staff also identified several overarching issues. To facilitate discussions at the workshop and to plan the staff's activities, the various proposals related to reducing unnecessary regulatory burden are categorized into one of four topical areas:

- risk-informing 10 CFR Part 50
- eliminating or reducing regulations that are obsolete or involve paperwork requirements or technical areas in which changes would not be justified primarily by risk insights
- improving regulatory requirements other than those defined in regulations (e.g., the Technical Specifications)
- the information collection initiative proposed by the staff to measure the reductions in unnecessary regulatory burden accomplished through the NRC licensing processes (see 65 FR 76669, December 7, 2000)

Discussions on each of the topical areas and general insights from the workshop are provided in Attachment 1. The staff's proposals for new activities are related to eliminating or reducing regulations that are obsolete or involve paperwork requirements or technical areas in which changes would not be justified primarily by risk insights. To address this issue, the staff intends to undertake a short-term, limited-scope initiative to review and revise requirements that are not addressed by an ongoing activity and that could be completed in a limited time period with relatively few resources. Based on initial discussions among the staff and with stakeholders, the staff believes that it may be able to improve some regulations, including administrative or reporting requirements, using a small-team approach. It is recognized that the follow-up activities from the workshop and broader initiatives may identify additional opportunities to reduce unnecessary regulatory burden. However, the staff believes that it can effectively start this activity based on recent discussions, and on its own review of the existing regulatory requirements.

After reviewing various administrative or technical requirements, especially those concerning licensee reports, the staff expects to submit one or more proposed rulemakings to the Commission. To meet the milestones included in this paper, the staff needs to pursue efficiency gains such as proposing rule changes to the Commission without first preparing and submitting formal rulemaking plans. The staff believes that formal rulemaking plans may be omitted for this initiative because of the nature of the rulemakings to be pursued in the limited-scope effort and the resource constraints defined for this activity. Examples of suggested changes from stakeholders that will be evaluated and possibly pursued under the initiative are provided in Attachment 2. The staff hereby requests the Commission approve the initiation, development and submission of proposed rulemakings arising from this initiative without formal rulemaking plans.

Possible changes to rules that are not undertaken directly as part of this limited-scope, short-term initiative may be pursued as part of longer term efforts to reduce unnecessary burden or as part of other rulemaking activities. These other possible rulemakings would be handled under the normal planning, budgeting, and rulemaking processes.

#### RECOMMENDATIONS:

1. The staff recommends that the Commission approve the initiation, development and submission of proposed rulemakings arising from the short-term, limited-scope initiative described in this paper without formal rulemaking plans.
2. The NRC Annual Performance Plan for FY 2003 refers to this Commission Paper for the milestones to measure the agency's performance in the area of reducing unnecessary regulatory burden on power reactor licensees. The staff proposes the following milestones be used and incorporated into future NRC Performance Plans:
  - (1) The NRC will complete the limited-scope, short-term initiative described in this paper (including issuing the small number of associated rulemakings) by September 30, 2004.
  - (2) On or before June 30, 2003, the NRC staff will report to the Commission on (1) the status of the limited-scope, short-term initiative to reduce unnecessary

regulatory burden and (2) the status of suggested changes deferred or assigned to the NRC's routine planning, budgeting and rulemaking processes.

RESOURCES:

The resources needed for the limited-scope, short-term initiative (including screening evaluations and rulemaking activities) are included in NRR's FY 2002 and FY 2003 budgets and have been proposed for the FY 2004 budget. The staff estimates that 2 FTE will be used each year in FY 2002 through FY 2004 for the initiative. Note that this estimate does not address burden reduction items covered as part of ongoing activities or those referred to line organizations for consideration, which, if the staff decided to pursue, would be planned and budgeted for using the PBPM process in NRR. In addition, the Office of Nuclear Regulatory Research may contribute to this effort in its role of assessing the regulatory effectiveness of proposed rulemakings.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection to its content.

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

*/RA/*

William D. Travers  
Executive Director  
for Operations

- (2) On or before June 30, 2003, the NRC staff will report to the Commission on (1) the status of the limited-scope, short-term initiative to reduce unnecessary regulatory burden and (2) the status of suggested changes deferred or assigned to the NRC's routine planning, budgeting and rulemaking processes.

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 William D. Travers  
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**ADAMS TEMPLATE: SECY-012  
 ACCESSION NO.: ML020420137**

OFC	NRR:DLPM:PM	RES:DSARE	NRR:DLPM:LA	NRR:PMAS	NRR:DRIP:RGEB
Name	WReckley <b>WDR</b>	WRaughley <b>WR</b>	THarris <b>TLH</b>	MCase <b>MC</b>	CCarpenter <b>CAC</b>
Date	12/07/01	12/12/01	12/10/01	01/08/02	12/21/01
OFC	NRR:DRIP:RTSB	TechEd	NRR:DLPM:D	RES:DD	OGC
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## DISCUSSION OF WORKSHOP ISSUES AND TOPICAL AREAS

Consistent with the NRC Strategic Plan to actively seek stakeholder input to identify and discuss opportunities for reducing unnecessary regulatory burden, the NRC sponsored a workshop on May 31, 2001. The workshop involved a facilitated, roundtable discussion that engaged a broad spectrum of external stakeholders. The NRC staff also used notices in the *Federal Register* and on the NRC Web site to encourage participation in the workshop and to solicit comments from stakeholders on the NRC's efforts to reduce unnecessary regulatory burden. The workshop objectives were to (1) provide an NRC management perspective on burden reduction efforts and the input needed from the stakeholders; (2) explain the NRC plans to risk-inform 10 CFR Part 50, eliminate or reduce outdated and paperwork-oriented requirements, and review other regulatory requirements; (3) share input received to date from stakeholders; (4) obtain broader stakeholder participation and input regarding the scope and relative priorities and concerns regarding NRC initiatives; (5) provide a forum for identifying unrecognized opportunities and exploring concerns associated with unnecessary regulatory burden reduction; and (6) provide background information for stakeholders who wanted to submit detailed written comments on the agency's unnecessary burden reduction initiatives. Approximately 45 external stakeholders representing 25 groups including public, licensees, States, industry, and nongovernment organizations participated in the workshop. In addition, 11 organizations provided comments in letters to the NRC after the workshop.

The following sections summarize the general discussions and the four topical discussions with various stakeholders during and subsequent to the workshop on May 31, 2001.

### **Overarching Stakeholder Issues**

The licensees and industry groups generally supported reducing unnecessary regulatory burden and identified regulatory effectiveness and efficiency issues. The citizen, State, and nongovernmental stakeholders raised safety and confidence issues.

Relative to maintaining safety, various stakeholders stated that the burden reduction initiatives should (1) not result in unintended safety consequences, (2) determine and address the safety impact of diverting NRC resources from existing safety activities to activities to reduce unnecessary regulatory burden and not further delay responding to unanswered public concerns, (3) make the case that reducing unnecessary regulatory burden will allow a better focus on safety, (4) establish criteria to guide the staff's decisions on revising regulations, (5) evaluate the applicability of the original safety bases for the requirement, and (6) use a panel to review proposed changes.

Relative to effectiveness, efficiency and realism of NRC decision-making, various stakeholders suggested that the staff should (1) review all of NRC's regulations periodically; (2) focus on internal process changes (e.g., by making greater use of precedent); (3) avoid intensive programs for simple changes; (4) avoid becoming less effective and efficient by creating a new risk-informed/performance-based program in addition to the existing program; (5) work to make the rulemaking process more efficient; (6) ensure that NRC management is supportive and involved; and (7) treat repetitive licensing actions as candidates for generic action to reduce unnecessary burden.

Relative to public confidence, various stakeholders suggested that (1) some currently available information such as radiological and emergency planning requirements and data are important to maintaining public confidence (e.g., data from routine effluent reports may be used in explaining the environmental and health effects of nuclear plant operations), (2) public confidence comes from NRC involvement as an independent technical regulator, and (3) much of the general public does not understand, or care to understand, risk-informed regulation, but trusts the NRC to maintain regulations and provide oversight to protect the public health and safety. The stakeholders suggested that, in reducing unnecessary regulatory burden, the NRC could increase public confidence by (1) maintaining its role as an independent technical regulator; (2) informing stakeholders about potential changes as early as possible; (3) assuring that the risk-informed approach is being supported with state-of-the-art probabilistic risk assessment (PRAs) and an industry commitment to fully participate in activities related to risk-informing regulations; (4) providing access to information on criteria used to make regulatory decisions on burden reduction; (5) improving several communication tools including the Agencywide Documents Access and Management System (ADAMS), access to state-of-the-art PRAs, and external distribution lists; and (6) having informed spokespersons keep the media, the general public, and people near the plants advised of changes that may affect the public health and safety.

Each of the topical areas is discussed below. The discussions provide: (1) background information (including staff's current activities related to each of these areas); (2) the insights gained from the workshop; (3) the staff's planned activities; and (4) proposed changes to the NRC Annual Performance Plan.

## **(1) Risk-Informed Regulation**

### Background

The Commission's 1995 PRA policy statement provides guidance on risk-informing regulatory activities. In the policy statement, the Commission said it expected that implementation of the policy statement would improve the regulatory process in three ways: by incorporating PRA insights into regulatory decisions, by conserving agency resources, and by reducing unnecessary regulatory burden on licensees. The RIRIP implements that policy. Accordingly, the RIRIP documents guidelines for selecting candidate programs, practices, and requirements for risk-informing and includes ongoing and planned activities to implement strategic plan strategies for risk-informed regulation. The RIRIP documents, for example, such burden reduction efforts as risk-informing the scope of the special treatment requirements in 10 CFR Part 50 (RIP 50, Option 2), developing risk-informed improvements to the Standard Technical Specifications, and risk-informing the requirements of 10 CFR 50.44, "Standards for combustible gas control in light-water-cooled power reactors" (RIP 50, Option 3).

### Insights From Workshop

At the May 2001 workshop, the staff discussed the process and criteria that it was using to prioritize potential risk-informed changes to Part 50 technical requirements. The staff noted that the results of an initial prioritization were that 10 CFR 50.44, 10 CFR 50.46, and special treatment requirements were of the highest importance.



The staff identified three potential approaches for further prioritization:

- Continue with the Option 3 framework approach.
- Assess the results from other programs:
  - Use Option 2 for the initial structure, system, and component categorization to determine where potential changes to the Part 50 technical requirements might be made.
  - Assess feedback from the revised reactor oversight process regarding where design-basis and risk insights are inconsistent and where potential changes to the Part 50 technical requirements should be made.
- Defer further resource expenditures on prioritization and reallocate resources to support rulemaking for 10 CFR 50.44 and 10 CFR 50.46.

Stakeholders stated that the NRC should finish risk-informing 10 CFR 50.44 and 10 CFR 50.46 before taking on any new work in this area.

#### Planned Activities

The staff will continue to use the RIRIP to document its ongoing and planned risk-informed burden reduction activities. The latest version of the RIRIP was provided to the Commission with SECY-01-0218, "Update of the Risk-Informed Regulation Implementation Plan," dated December 5, 2001. The RIRIP is periodically updated and provided to the Commission.

#### Performance Plan

The NRC Annual Performance Plan contains measures related to the NRC staff's completion of specific milestones in the RIRIP. The staff will continue to use the RIRIP to define its performance measures for activities to risk-inform NRC regulations.

### **(2) Obsolete, Paperwork-Oriented, and Other (Non-Risk-Informed) Changes**

#### Background

The NRC has periodically reviewed its requirements on a wide range of programs and activities with the object of eliminating requirements with little benefit. There was the Marginal to Safety Program in the mid-1980s and the Committee to Review Generic Requirements conducted a special review in the early 1990s that resulted in several rule changes to reduce unnecessary regulatory burden, most of which involved reporting requirements applicable to power reactors. Then came the Regulatory Review Group, which addressed a number of reports and other administrative requirements that could be reduced or eliminated. In 1992 and again in 2001, the event reporting requirements in 10 CFR 50.72 and 50.73 were modified to eliminate certain unnecessary reports. During the later rulemaking, candidates for similar changes to reporting rules were identified, and rulemaking efforts are underway (see SECY-01-0054, "Rulemaking Plan: 10 CFR Parts 72 and 73 - 'Conforming Requirements of Event Notification'," dated March 27, 2001.) Several other suggestions that were received from stakeholders during the rulemaking for 10 CFR 50.72 and 50.73 are described in SECY 99-191, "Proposed Plans and Schedules to Modify Reporting Requirements Other Than 10 CFR 50.72 and 50.73 for Power Reactors and Materials Licensees." These initiatives have resulted in several specific changes

that reduced unnecessary burden. Licensees and other stakeholders have commented that the staff should renew efforts to identify and eliminate excessive regulatory requirements.

More recently, in several public forums, the staff has discussed burden reduction with various licensees, the Nuclear Energy Institute (NEI), and other stakeholders. One discussion involved the staff and Commonwealth Edison Company (ComEd, now Exelon Corporation). The staff was presented with a list of NRC regulations that ComEd believed could be changed to reduce unnecessary regulatory burden (see related trip report, ADAMS Accession No. ML003725832). Some of the regulations involved technical requirements. Others involved administrative matters such as submitting reports. At a meeting held on September 9, 2000, between the staff and the nuclear power industry's Licensing Action Task Force (LATF), the staff was given a list of reporting requirements that the LATF thought could be revised or eliminated (see related meeting summary, ADAMS Accession No. ML003762439). Some of the items that the LATF identified as possible changes are listed in Attachment 2.

The staff held a workshop to expand the discussions on how the NRC can reduce unnecessary regulatory burden. The staff continues to solicit ideas on reducing unnecessary regulatory burden. A goal of this continuing effort is to collect suggestions from stakeholders, and to develop strategies to improve the NRC's regulatory effectiveness. The benefit of collecting ideas and views is that it may help the staff combine activities, evaluate alternatives, and schedule tasks more efficiently.

#### Insights From Workshop

The portion of the workshop devoted to revising or eliminating unnecessary paperwork, obsolete and other regulations not included within the NRC's risk-informed initiatives, showed that change will need to be assessed from the perspective of not only the licensees and staff, but also of the public and other government agencies. Some workshop participants expressed concern about some of the proposed changes and about the public's need to have information on emergency preparedness and routine releases of radioactive effluents. Some industry participants suggested that the NRC consider using the reactor oversight process to collect and disseminate information deemed critical by the NRC or the public. A top-down examination of all the reporting requirements was also suggested. There was considerable stakeholder discussion about the need to develop criteria for categorizing regulations as unnecessary or obsolete.

The NRC staff has compiled a list of stakeholder suggestions for reducing unnecessary regulatory burden, including proposals to change various paperwork-oriented and possibly obsolete regulations. The staff will use the compilation, and additions received from internal or external stakeholders, to begin its review of regulatory requirements for opportunities to reduce unnecessary regulatory burden.

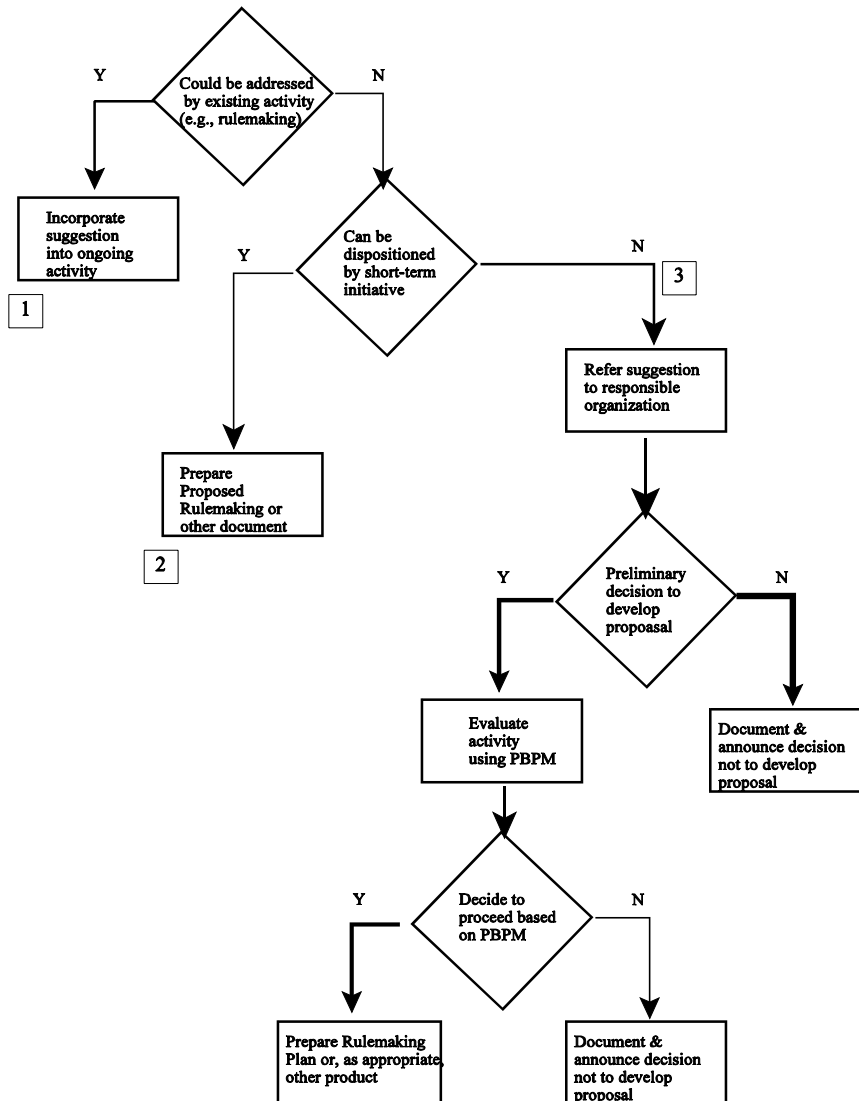
#### Planned Activities

The staff intends to undertake a short-term, limited-scope initiative to review and revise requirements that are not addressed by an ongoing activity and that could be completed in a limited time period with relatively few resources. Based on initial discussions among the staff and with stakeholders, the staff believes that it may be able to improve some regulations,

including administrative or reporting requirements, using a small-team approach. It is recognized that the follow-up activities from the workshop and broader initiatives may identify additional opportunities to reduce unnecessary regulatory burden. However, the staff believes that it can effectively start this activity based on recent discussions, and on its own review of the existing regulatory requirements. The staff will consider suggestions received from stakeholders, existing summaries of reporting requirements such as NUREG-1460, "Guide to NRC Reporting and Recordkeeping Requirements," and discuss related issues with both internal and external stakeholders.

The staff plans to assess the various regulations and categorize possible changes using the process flowchart shown below.

### Flow Chart - Reduce Unnecessary Burden Initiative



As shown in the figure, the staff sees three ways to categorize the regulatory requirements during the first phase of the burden reduction initiative.

- (1) A suggested change could be addressed as part of an ongoing rulemaking. Suggestions from either internal or external agency stakeholders would be considered as part of the ongoing activity, as are any comments received prior to publication of a proposed rulemaking. Many items in the list of stakeholder suggestions received to date are included or could be included in an ongoing rulemaking.
- (2) A suggested change could be addressed as part of the staff's limited-scope, short-term initiative. If the change involved an issue that could be handled by the short-term initiative, the staff would determine whether the regulation(s) could be deleted or revised or should remain as currently written. Preparing and issuing proposed and final rulemakings are within the scope of this initiative.
- (3) A suggested change could be forwarded to the appropriate NRC organization for consideration as a stand-alone activity or incorporation into a future rulemaking; and the staff would decide whether to pursue the suggested change. If pursued, the rulemaking would be assessed within the existing planning and budgeting process and would likely be the subject of, or be incorporated into, a rulemaking plan submitted to the Commission. In deciding not to pursue a rulemaking, the staff would not necessarily be judging the rulemaking to be inappropriate, but would be deciding only that the NRC staff would not develop, justify, and promote the proposed change. This initiative, and the related solicitation of ideas, is not intended to supplant the process defined in 10 CFR 2.802, "Petition for rulemaking," including the petitioners need to provide information supporting a petition to change a regulation.

The staff views the first and third approaches as consistent with current policies and practices. Regarding the second approach, the staff suggests developing one or more proposed rulemakings as part of its limited-scope, short-term initiative. The limited-scope, short-term initiative has been developed within existing resource constraints and agency priorities. These constraints will limit the scope and number of rulemakings pursued under the initiative. In evaluating requirements and developing proposed rulemakings (as either part of the limited-scope, short-term initiative or as a stand-alone activity), the staff will use the performance-based concepts described in SECY-01-0205, "Status Report on Performance-Based Approaches to Regulation," dated November 16, 2001. The staff will provide the Commission with periodic updates about this initiative, including any proposals to extend, suspend, or revise the staff's activities resulting from performance monitoring.

The staff will use the following criteria for selecting candidate requirements for the limited-scope, short-term burden reduction initiative:

- For reporting requirements, is the information needed for the NRC to meet its performance objectives, including maintaining safety at nuclear power reactors and maintaining or improving the public's confidence in NRC's regulatory processes? If not related to reporting, is the requirement needed to protect the public health and safety or the common defense and security or otherwise meet NRC performance goals?

- Can the information be found or collected in a more cost-effective way than requiring licensees to submit a report? If a report is the most effective way of obtaining needed information, could the information be collected in a less burdensome way (e.g., by collecting the information less frequently, making reports conditional on circumstances instead of being required at a fixed interval, or by reducing the amount of information included in a report)? If not related to reporting, does the requirement duplicate other regulatory requirements or could it be satisfied in a less burdensome manner?
- Would the suggested rulemaking be relatively simple and straightforward so that the total resources needed for this initiative remain below the NRR budget allocations for this activity (i.e., 2 FTE per year for 3 years)?

The staff's initial assessment is that unnecessary regulatory burden can be reduced sufficiently by a small number of proposed rulemakings to justify the resources allocated for this initiative. After reviewing various administrative or technical requirements, especially those concerning licensee reports, the staff expects to submit one or more proposed rulemakings to the Commission. To meet the milestones included in this paper, the staff needs to pursue efficiency gains such as proposing rule changes to the Commission without first preparing and submitting formal rulemaking plans. The staff believes that formal rulemaking plans may be omitted for this initiative because of the nature of the rulemakings to be pursued in the limited-scope effort and the resource constraints defined for this activity. The staff hereby requests the Commission approve the initiation, development and submission of proposed rulemakings arising from this initiative without formal rulemaking plans.

As previously mentioned, possible changes to rules that are not undertaken directly as part of this limited-scope, short-term initiative may be pursued as part of longer term efforts to reduce unnecessary burden or as part of other rulemaking activities. These other possible rulemakings would be handled under the normal planning, budgeting, and rulemaking processes. The staff will, as part of the planning, budgeting, and performance monitoring (PBPM) process in NRR, assess the proposed disposition of various suggested changes to determine if work priorities or resource allocations need to be adjusted for the current or future fiscal years. Some stakeholders have commented that the NRC has periodically undertaken initiatives to reduce regulatory burden but has failed to maintain the necessary focus or commitment to meet the stated goals and expectations. The staff will communicate with the nuclear industry and other stakeholders to minimize misunderstandings about our activities and the associated schedules.

#### Performance Plan

The NRC Annual Performance Plan for FY 2003 refers to this Commission Paper for the milestones to measure the agency's performance in the area of reducing unnecessary regulatory burden on power reactor licensees. The staff proposes the following measures be used and incorporated into future NRC Performance Plans:

- The NRC will complete the limited-scope, short-term initiative (including issuing the small number of associated rulemakings) by September 30, 2004. This initiative will include a review of the regulatory requirements suggested by the agency's internal and external stakeholders as burden reduction candidates. The staff will consider each suggested change and will document the rationale for deleting, revising or maintaining the requirement. Suggested changes found to be beyond the scope of the limited-

scope, short-term initiative will be handled through the NRC's routine planning, budgeting and rulemaking processes

- On or before June 30, 2003, the NRC staff will report to the Commission on (1) the status of the limited-scope, short-term initiative to reduce unnecessary regulatory burden and (2) the status of suggested changes deferred or assigned to the NRC's routine planning, budgeting and rulemaking processes.

NRR will develop and implement lower level measures of success through its existing performance monitoring processes.

### **(3) Regulatory Requirements Other Than Regulations (e.g., Technical Specifications)**

#### Background

In addition to reviewing NRC regulations, the NRC staff is involved in various activities to assess other regulatory requirements and administrative processes to identify possible improvements in efficiency or reductions in unnecessary regulatory burden. The staff is currently reviewing its internal procedures and processes and various reporting or administrative requirements imposed on power reactor licensees. The staff also is continuing with initiatives related to the content of Technical Specifications (TS). These initiatives have potential for reducing unnecessary burden while maintaining or improving safety. The staff routinely interacts with licensees and industry representatives during public meetings with groups such as the Technical Specification Task Force, the Risk-Informed Technical Specification Task Force, and the Licensing Action Task Force.

#### Insights From Workshop

The workshop participants generally acknowledged that the efforts currently underway regarding TS are appropriate and are using processes that are well-established and well-understood. The discussions were consistent with feedback received during other interactions with stakeholders. The participants said changing technical specification requirements was as valuable as many of the current or proposed rulemaking activities to reduce unnecessary regulatory burden.

#### Planned Activities

The staff plans to continue interactions with the previously mentioned industry groups. The discussions will be considered as part of the routine PBPM process in NRR, which could change how resources for TS improvement efforts are currently allocated within the office.

#### Performance Plan

The staff will continue to monitor its performance in this area as part of NRR's PBPM process. The staff has not incorporated additional measures for this area into the NRC Annual Performance Plan.

#### **(4) Information Collection Initiative**

##### Background

A *Federal Register* notice (FRN) soliciting public comments on the proposed information collection was published on December 7, 2000, (ADAMS Accession No. ML003771785). The purpose of the information collection initiative was to gather information that would be voluntarily provided by licensees regarding the impact of NRC activities (e.g., reductions in operating expenses). As discussed in the FRN, the information would assist NRR in allocating staff resources and measuring how work completed by the staff contributes to the agency's goals in meeting the Government Performance and Results Act. Five different groups commented on the proposed initiative (Tennessee Valley Authority, Illinois Department of Nuclear Safety, Winston and Strawn, Hopkins and Sutter, and the Nuclear Energy Institute). Comments received from the stakeholders were generally opposed to the proposed initiative. Based on these comments, the staff determined that the initiative, as proposed in the FRN, was not feasible.

##### Insights From Workshop

The licensees attending the workshop viewed providing additional information about possible cost savings resulting from NRC activities as an example of an unnecessary regulatory burden and questioned how such information would make the staff more effective or efficient. The workshop participants offered several possible ways to measure the staff's success at reducing unnecessary regulatory burden. The suggestions included: track the completion of the other initiatives discussed during the workshop such as risk-informing regulations and technical specifications, use the reactor oversight and performance indicator program to measure safety, determine how NRC fees are reduced by making the agency's processes more efficient and effective, count the number of regulation changes that occur over the year that reduce burden and how often the Consolidated Line Item Improvement Process is used.

##### Planned Activities

Based on the feedback from the workshop and the public comments received from the December 2000 and May 2001 FRNs, the staff has dropped this initiative.

##### Performance Plan

References to this initiative have been removed from the NRC Annual Performance Plan for FY 2003.

**Licensing Action Task Force**  
**Partial list of suggested changes to delete unnecessary reporting requirements**

**10 CFR 26.71(d)** - Submittal of fitness-for-duty (FFD) program performance data every six months.

CHANGE: Eliminate requirement to submit the data.

RATIONALE: FFD program performance data will still be collected, compiled, and available for inspection.

SAVINGS: \$2,000 annual savings from eliminating administrative cost to submit data.

**10 CFR 50.36a(a)(2)** - Submit annual radioactive effluent reports.

CHANGE: Eliminate requirement to submit an annual report.

RATIONALE: 10 CFR 50 Appendix I Section IV.A requires the NRC be notified if actual release during any calendar quarter would exceed one-half the design objective annual exposure, otherwise routine information available for inspection.

SAVINGS: \$2,000 savings annually per site by eliminating cost to submit report.

**10 CFR 50.46(a)(3)(ii)** - Requirement to submit a 30 day report any time the absolute value of peak cladding temperature (PCT) changes by >50 degrees F and an annual report for any change.

CHANGE: Eliminate these reporting requirements.

RATIONALE. This is the only core parameter with a calculated value that is required to be reported to the NRC. This parameter only needs to be tracked internally by the licensee and be available for NRC inspection upon request.

SAVINGS: \$4,000 per year per site for annual report and one 30-day report.

**10 CFR 50.54(p)(2) and 10 CFR 72.44(e)** - Submit within 2 months changes made to physical security plans without prior NRC approval.

CHANGE: Eliminate requirement to submit changes made without prior NRC approval.

RATIONALE. Submittal is of informational nature only, physical security plans are available for inspection as are any related evaluations of changes made without NRC prior approval.

SAVINGS. \$1,000 savings by eliminating cost to submit changes.

**10 CFR 50.54(q) and 10 CFR 50, Appendix E, Section V** - Submit within 30 days any changes made to the emergency plan or implementing procedures without prior NRC approval (Note: 10 CFR 72.44(1) is similar requirement but allows six months.)

CHANGE: Eliminate requirement to submit changes made without prior NRC approval.

RATIONALE: Submittal is of informational nature only, emergency plan and implementing procedures are available for inspection as are any related evaluations of changes made without NRC prior approval.

SAVINGS: \$2,000 savings by eliminating cost to submit changes.



**10 CFR 50.54(w)(3)** - Annual property insurance coverage report specifying level of insurance maintained and its source.

CHANGE: Eliminate requirement to submit report.

RATIONALE: 10 CFR 50.54(w)(1) specifies amount of insurance required and acceptable sources, a licensee is required to comply with the regulations, submittal of the information annually serves no purpose and is not required in the case of other regulations to demonstrate compliance.

SAVINGS: \$1,000 annual savings per site from eliminating cost to submit report.

**10 CFR 50.54(bb)** - Submit to NRC for review and preliminary approval the irradiated fuel management and funding plan and notify the NRC of any future significant changes.

CHANGES: Eliminate requirement to submit plan and future notifications.

RATIONALE: In part, the information required is redundant to that required by 10 CFR 50.82 in the post-shutdown decommissioning activities report and the site-specific decommissioning cost estimate. Also, if a licensee chooses dry cask storage, the NRC is notified in accordance with 10 CFR 72.

SAVINGS: \$2,000 savings from eliminating cost to submit plan and future notifications.

**10 CFR 50.59(b)(2)** - Periodically submit a summary of 10 CFR 50.59 and 10 CFR 72.48 evaluations.

CHANGE: Eliminate requirement to submit summary reports.

RATIONALE: The completed evaluations are available for inspection, the submittal is of only informational nature.

SAVINGS: \$25,000 savings annually per site by eliminating cost to submit report.

**10 CFR 50.71(b)** - Submit the annual financial report, including the certified financial statements, upon issuance of the report.

CHANGE: Eliminate requirement to submit report.

RATIONALE: Submittal is of informational nature only, the annual report is available for inspection.

SAVINGS: \$400 annual savings per site from eliminating cost to submit report.

**10 CFR 50.75(f)(1)** - Status of decommissioning funding. After initial report, this report is required every two years thereafter. Reports should only be required if the approach is changing, upon merger or acquisition, or about 5 years prior to decommissioning (as part of the decommissioning plan).

SAVINGS: \$ 1000/yr.

**10 CFR 140.15(b)(1)** - Financial statement. The value of this report is unclear. Unless this report is actually used and reviewed by the NRC, it should be deleted.

SAVINGS: \$1000/yr.

**10 CFR 140.21** - Submit annually evidence of guarantee of payment of deferred premiums.

CHANGE: Eliminate submittal requirement.

RATIONALE: Submittal is of informational nature only and the reporting requirement is redundant to base regulation 10 CFR 140.11 which a licensee must be in compliance.

SAVINGS: \$800 annual savings from eliminating cost to submit report.