

December 11, 2002

MEMORANDUM TO: John T. Larkins, Executive Director
Advisory Committee on Reactor Safeguards

FROM: Farouk Eltawila, Director **/RA/ original signed by Farouk Eltawila**
Division of Systems Analysis and Regulatory Effectiveness
Office of Nuclear Regulatory Research

SUBJECT: TRANSMITTAL OF NUREG/BR-0303, "GUIDANCE FOR
PERFORMANCE-BASED REGULATION"

Pursuant to the letter from the Executive Director for Operations to the Chairman of the Advisory Committee on Reactor Safeguards (ACRS) dated November 26, 2002, I am enclosing the document, NUREG/BR-0303, "Guidance for Performance-Based Regulation". The document is now on the NRC website while it is also in the process of being printed.

NUREG/BR-0303 incorporates the recommendations of the ACRS in their letter of October 17, 2002, to the NRC Chairman and also some editorial improvements. More specifically:

1. A text box has been added to Section 2 on prescriptive elements and the concept of margin within a performance-based approach.
2. Additional examples have been provided in Step 2 of Section 3.2 to explain identification of safety functions in the context of a regulatory issue.
3. More explanation has been provided, with an additional example, to Step 3 of Section 3.2 regarding consideration of uncertainty in the assessment of safety margin.
4. The illustrative examples in Section 4 have been revised to use two proposed rules that were issued for public comment and some recent research results provided to NRR regarding applying the significance determination process relative to inspection findings during shutdown conditions.
5. A new Appendix B, "Supplementary Guidance for More Complex Issues," has been added that offers more detailed guidance on applying formal decision methods to search for appropriate performance parameters. This Appendix also addresses more formally the ACRS recommendations in a letter dated September 8, 2000, on "Proposed High-Level Guidelines for Performance-Based Activities."

J. Larkins

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With publication of NUREG/BR-0303, RES considers that the developmental work for guidance on performance-based regulation is complete. The ACRS may also find this guidance to be useful in reviewing issues brought forward that use a performance-based approach.

Attachments: As stated

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Attachments: As stated

cc w/o attachment:

AThadani/JStrosnider, RES
CECarpenter, RES
SDuraiswamy, ACRS

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