

January 10, 2003

Mr. Tony Pietrangelo, Director
Risk and Performance Based Regulation
Nuclear Energy Institute
1776 I Street, N.W.
Washington, DC 20006-3708

Dear Mr. Pietrangelo:

In the mid-1980s, the Nuclear Regulatory Commission (NRC) staff committed to revising standard technical specifications (STS) to better focus on safety, to make them clearer for operators, and to standardize content and format. The industry contributed substantially to this effort, achieving an important milestone with the publication of Revision 0 of the STS NUREGs in 1992. The Technical Specification Task Force (TSTF), with the sponsorship of Nuclear Energy Institute (NEI), has continued to put forward proposals to modify the STS. The NRC did not assess Part 170 fees for its review of those industry documents that were submitted as part of the joint industry/NRC effort to revise the STS and which were used by the NRC to make generic regulatory improvements. With the exception of risk-informing the STS, we feel that these regulatory purposes have now been achieved.

The STS have been refined to the point where they can support the remaining conversions and serve as general guidance for license amendment review. The proposed STS changes, now being submitted, known as "TSTFs," primarily benefit owners group members, just as topicals benefit those same licensees. Therefore, TSTFs are subject to Part 170 fees under 10 CFR 170.21. This means that the costs for NRC's review work for a TSTF will be billed to the requesting organization, unless the NRC determines that the submission meets the criteria in 10 CFR 170.11(a)(1) for a fee exemption.

We also want to increase the efficiency of staff review by merging the TSTF process with our topical report and license amendment review processes. TSTFs are best reviewed in conjunction with the topical or license amendment they support. Therefore, owners groups should coordinate the development of consensus TSTFs for submittal with topicals or lead plant amendments. In the case of topicals, this will eliminate the need for staff to synchronize the review of closely-related submittals arriving via two different paths. In the case of TSTFs not related to a topical, use of a lead plant will improve our ability to develop a generic safety evaluation and model licensee submittal, should we agree to pursue the consolidated line item improvement process (CLIIP) for subsequent plants. Use of a lead plant will also help assure sufficient licensee interest in adopting the TSTF. We would continue to update the STS to reflect approved TSTFs.

We will suspend review of TSTFs already received and not related to risk-informed initiatives (described in your white paper dated June 2001) until the sponsoring owners group(s) authorize us to proceed. We will then bill the owners group(s) sponsoring each TSTF proposal unless a fee waiver has been requested and approved. We will also work with you to revise the NEI White Paper that describes the TSTF process.

We believe these process changes will improve our return-on-investment for generic technical specification changes and related licensing actions. Please contact me at 301-415-1158 if you have any questions.

Sincerely,

/RA/

William D. Beckner, Program Director
Operating Reactor Improvements Program
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

cc: R.W. Borchardt

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