



UNITED STATES
NUCLEAR REGULATORY COMMISSION
ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
WASHINGTON, D. C. 20555

October 20, 1998

The Honorable Shirley Ann Jackson
Chairman
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Chairman Jackson:

SUBJECT: THE NUCLEAR ENERGY INSTITUTE'S PETITION FOR RULEMAKING TO AMEND PARAGRAPH (a) OF 10 CFR 50.54, CONDITIONS OF LICENSES

During the 456th meeting of the Advisory Committee on Reactor Safeguards, September 30-October 2, 1998, we reviewed a draft Commission paper which documents the proposed NRC staff position on the Nuclear Energy Institute's (NEI's) petition for rulemaking to amend 10 CFR 50.54 (a). We also heard presentations by and held discussions with representatives of the NRC staff and the NEI concerning such a petition which was submitted in 1995 by NEI. The petition sought to broaden the scope of allowed unilateral changes that would not require prior NRC review and approval. They proposed to amend 10 CFR 50.54(a) to make changes exempt if they do not involve an unreviewed safety question as defined in 10 CFR 50.59. We also had the benefit of the documents referenced.

In its response, the staff agreed that 10 CFR 50.54(a) should be revised to allow a broader scope of unilateral changes to the quality assurance (QA) programs without prior NRC review but that use of 10 CFR 50.59 criteria to make such changes is not appropriate. Instead the staff proposes a direct final rulemaking to modify 10 CFR 50.54(a) to permit licensees to make changes to selected aspects of their QA programs prior to NRC review and approval. Examples of additional changes that could be made by the licensees unilaterally include adoption of consensus standards newly endorsed by the NRC; use of generic organizational and position titles; and elimination of descriptive QA program commitments that duplicate those contained in consensus QA regulatory standards and QA regulatory guides.

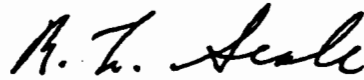
In addition, the staff plans to develop an alternate process for changes that the licensees could voluntarily implement for further relief. The NEI generally supports the staff's alternative proposal, but expresses concern about the staff's proposed "monitoring" of the performance of the QA programs. The use of a risk-informed approach to such performance monitoring appears to be acceptable to all concerned.

We agree with the staff and NEI that the scope of changes in QA programs that can be made without prior NRC approval should be increased and granting such relief to the licensees should

be given high priority. We also agree that providing this relief through the staff's proposed modification of 10 CFR 50.54(a) is preferable to NEI's original proposal.

We are in general agreement with the approach outlined in the draft Commission paper and believe that the staff should proceed with its efforts to revise 10 CFR 50.54(a).

Sincerely,



R. L. Seale
Chairman

References:

1. Letter dated June 8, 1995, from Mr. Phillip Bayne, Nuclear Energy Institute, to the Honorable Ivan Selin, U.S. NRC Chairman, regarding NEI Petition for Rulemaking.
2. Draft Memorandum (undated) from L. Joseph Callan, Executive Director for Operations, For the Commissioners, Subject: Partial Acceptance of Petition for Rulemaking Submitted by the Nuclear Energy Institute (Predecisional).