



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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MEMORANDUM TO: ADPR Project Managers;
ADPR Project Directors

FROM: Roy P. Zimmerman *Roy P Zimmerman*
Associate Director for Projects, NRR

SUBJECT: INTERIM EXPECTATIONS RELATED TO OVERSIGHT OF 10 CFR 50.59
PROCESS AND FSAR UPDATES

The licensee's use and NRC's oversight of processes related to 10 CFR 50.59, "Changes, tests, and experiments," is a focus of interest to the Commission and senior NRC managers. The Division of Reactor Program Management (DRPM) prepared an action plan that includes evaluation of what, if any, changes are needed in the inspection process, regulatory guidance, and the language of the 50.59 rule itself. Several members of the ADPR staff have worked on the action plan. DRPM has developed and issued for public comment proposed regulatory guidance related to implementation of 10 CFR 50.59 (SECY-97-035 dated February 12, 1997; published for comment as NUREG-1606). The comment period for NUREG-1606 ended July 7, 1997, and comments are currently being evaluated and final positions on each of the issues are being developed. Once these positions are finalized, implementation guidance will be provided to headquarters and regional staffs. The positions contained in NUREG-1606 relate to the policy aspects of NRC review of licensee's implementation of 10 CFR 50.59. Current staff guidance on these issues is provided in Generic Letter 91-18, "Information to Licensees Regarding Two NRC Inspection Manual Sections on Resolution of Degraded and Non-Conforming Conditions and on Operability," and NRC Inspection Manual Chapter 9900, "Technical Guidance." NRC staff should continue to use this guidance in conducting inspections and reviews.

In addition to the periodic regional inspections, the oversight of 10 CFR 50.59 has traditionally involved project managers (PMs) either conducting reviews or being part of inspection teams conducting reviews in accordance with Inspection Procedure 37001. IP 37001 notes that it is intended that the facility's NRR project manager and another inspector participate in the inspection of the 50.59 program. Results of these reviews suggest that there is variability in the oversight of licensee implementation of 50.59 among PMs in terms of frequency of review, depth of review, and method of review documentation. This issue, as well as other concerns, was discussed in the staff's response to questions from Chairman Jackson dated December 15, 1995.

In response to Chairman Jackson's questions regarding the 50.59 process, we committed to provide additional guidance to PMs on verifying that facility changes made in accordance with 10 CFR 50.59 are incorporated in the safety analysis report. The staff also committed to evaluate near-term changes to achieve a more uniform oversight of licensee's implementation of 50.59 by NRR project managers.

The NRR project manager should ensure that licensees provide periodic updates

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to the Final Safety Analysis Report (FSAR) and summary descriptions of 50.59 facility changes. PMs should periodically review a sampling of 50.59 evaluations performed by their assigned licensees. The staff noted that although PMs follow the guidance in IP 37001, the scope and depth of the review of 50.59 evaluations and updates vary. We committed that management would more clearly define the responsibilities in this area. We also will provide examples of good inspection report writeups for each of the areas defined below in the near future.

The following expectations are designated as "interim." They will be updated, if necessary, at a future date following a number of initiatives ongoing in NRR with respect to inspections. For example, review of previous 50.59 inspections revealed that most 50.59 violations were in the engineering/modifications area. Also, DISP has developed a mini-SSFI so that the region would perform the engineering procedure (37550), SSFI or mini-SSFI (93809) once per SALP cycle. The 50.59 inspection would be done as part of one of these inspections as scheduled by the regions. Also under consideration is a better method to document NRR in-house reviews of required reports, such as 50.71(e) updates. As these issues are further developed, these expectations will be updated as necessary.

The following interim expectations should enhance PMs' effectiveness as contributors to the agency's assessment of the implementation of 10 CFR 50.59 and 50.71(e) programs at their assigned facilities. Specifically, the project manager will perform the in-house reviews of the periodic updates to the FSAR and the summary descriptions of 50.59 facility changes, and work with the region to evaluate licensee compliance with the requirements of Section 50.59 in the field.

- (1) Project managers should maintain a current understanding (through site visits and routine discussions with the region and licensee staff) of significant modifications recently completed or being considered for either the facility or licensee programs, licensee processes related to performing safety evaluations, and issues related to the control of changes using 10 CFR 50.59.

Project managers should also maintain a list of issues expected to be addressed by the licensee in their periodic report of changes, tests and experiments submitted in accordance with 10 CFR 50.59(b)(2) and FSAR update under 10 CFR 50.71(e). This list should be used by the PM to ensure appropriate issues are identified in the periodic 50.59 reports and FSAR updates, based on PM knowledge of licensee changes, licensee submittals, etc., gained during PM reviews, discussions with the resident inspectors and the licensee, and situations where NRC approval was contingent upon the licensee placing commitments identified in the staff's safety evaluation into the FSAR.

- (2) Within 90 days of receipt, PMs should perform an in-house review of the licensee's periodic report of changes, tests, and experiments submitted in accordance with 10 CFR 50.59(b)(2) and in-house review of the FSAR update. Schedule exceptions should be negotiated with the respective project director. The in-house review of the summary descriptions of 50.59

facility changes should assess whether or not the licensee's submittal clearly describes the change(s) in sufficient detail to determine if the licensee's conclusion that the change(s) did not involve an unreviewed safety question appears reasonable. If this conclusion does not appear reasonable or the description is not sufficiently clear, NRR technical and/or regional staff should be consulted, if necessary, to help determine if additional inquiries are warranted or if items of potential generic interest are identified.

For the FSAR update, the review should determine that, for those FSAR update changes that the PM is familiar with, that these changes are appropriately addressed by licensing actions (changes to the facility or procedures previously described in the FSAR), 10 CFR 50.59 submittals, or regional inspection activities. A representative sample should be chosen to perform this review. However, for those licensing actions where the NRC's approval was contingent upon the licensee placing those commitments relied upon by the staff in their regulatory decision into the FSAR, all of these commitments should be verified to be incorporated into the FSAR. The PM should also ensure, again choosing a representative sample, that there are no other completed licensing actions and related regional inspection activities which have been completed since the last update for which changes should have been submitted.

Questions or concerns identified during the reviews should be discussed with the region and addressed through telephone communications, onsite followup, and/or docketed correspondence with the licensee, as appropriate. PMs should document the completion of the review and discuss any significant findings by an input to be included in an inspection report.

- (3) Project managers should be aware of the periodicity and the method that the licensee uses to update the FSAR under 10 CFR 50.71(e). (Some licensees update the FSAR every 18 months, some annually, and others provide quarterly supplements to revisions which are incorporated in total as a 10 CFR 50.71(e) revision.) Within 30 days of receipt, PMs should insert the periodic update into the FSAR. Again, schedule exceptions should be negotiated with the respective project director.
- (4) A PM should perform, or assist in the performance of, a formal inspection of the licensee's 10 CFR 50.59 program each SALP cycle in accordance with IP 37001 as scheduled by the regions. If a project manager is not a qualified inspector, then the inspection should be performed while reporting to a qualified inspector. Typically, the 50.59 inspection is accomplished during the Engineering/Technical Support inspection performed by the regions, and the review of the 50.59 program is documented in that inspection report. The inspection should be documented in accordance with MC 0610 regarding the licensee's safety evaluation process and compliance with 10 CFR 50.59. The conduct of this inspection should be planned in the MIP and coordinated with the region. The project manager should propose the inspection during the PPR, and an inspection plan provided to the regional branch chief prior to the inspection to assure that adequate preparation has been made.

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The PM is to consider the results of the above activities (50.59 and FSAR reviews, 50.59 inspections) in site-specific reviews. PMs should consider risk insights, both generic or site specific, in their sampling review and planning activities. Risk insights should be used in selecting the licensee's safety analyses reviewed during an inspection, selecting changes to evaluate as a result of the PM's review of the 50.59 report or FSAR update, and selecting subjects for followup during site visits. Additional guidance related to incorporating risk insights into NRC inspection activities is being developed. Any lessons learned regarding the possible use of risk insights in reviews or inspections should be provided to the Project Director and to the Division of Inspection and Support Programs/Inspection Program Branch and the Division of Systems Safety and Analysis/Probabilistic Safety Assessment Branch.

The level of effort to review the licensee's periodic report submitted in accordance with 10 CFR 50.59(b)(2) should entail approximately 8 hours, and the level of effort to review the FSAR update should entail approximately 8 hours, depending on the scope of the report submitted.

The PM Handbook and NRC inspection procedures, as appropriate, will be updated to reflect this guidance. PMs should direct any questions to their respective PD or division director.

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