

Cumulative Effects of Regulation

Category 3 Public Meeting

May 8, 2013

Meeting Purpose

- To inform external stakeholders of the recent Commission direction on the Cumulative Effects of Regulation (CER)
- To describe the NRC staff's proposed strategy on ways to address the direction
- To obtain feedback that will inform the NRC's efforts to address CER

Topics for Discussion

- Background
- Outreach Tools to Consider Applying CER to Other Regulatory (Non-rulemaking) Actions
- Case Studies to Review Accuracy of Cost and Schedule Used in NRC's Regulatory Analyses
- CER Template to Determine the Viability and Priority of Potential Rulemakings
- External Stakeholder Comments

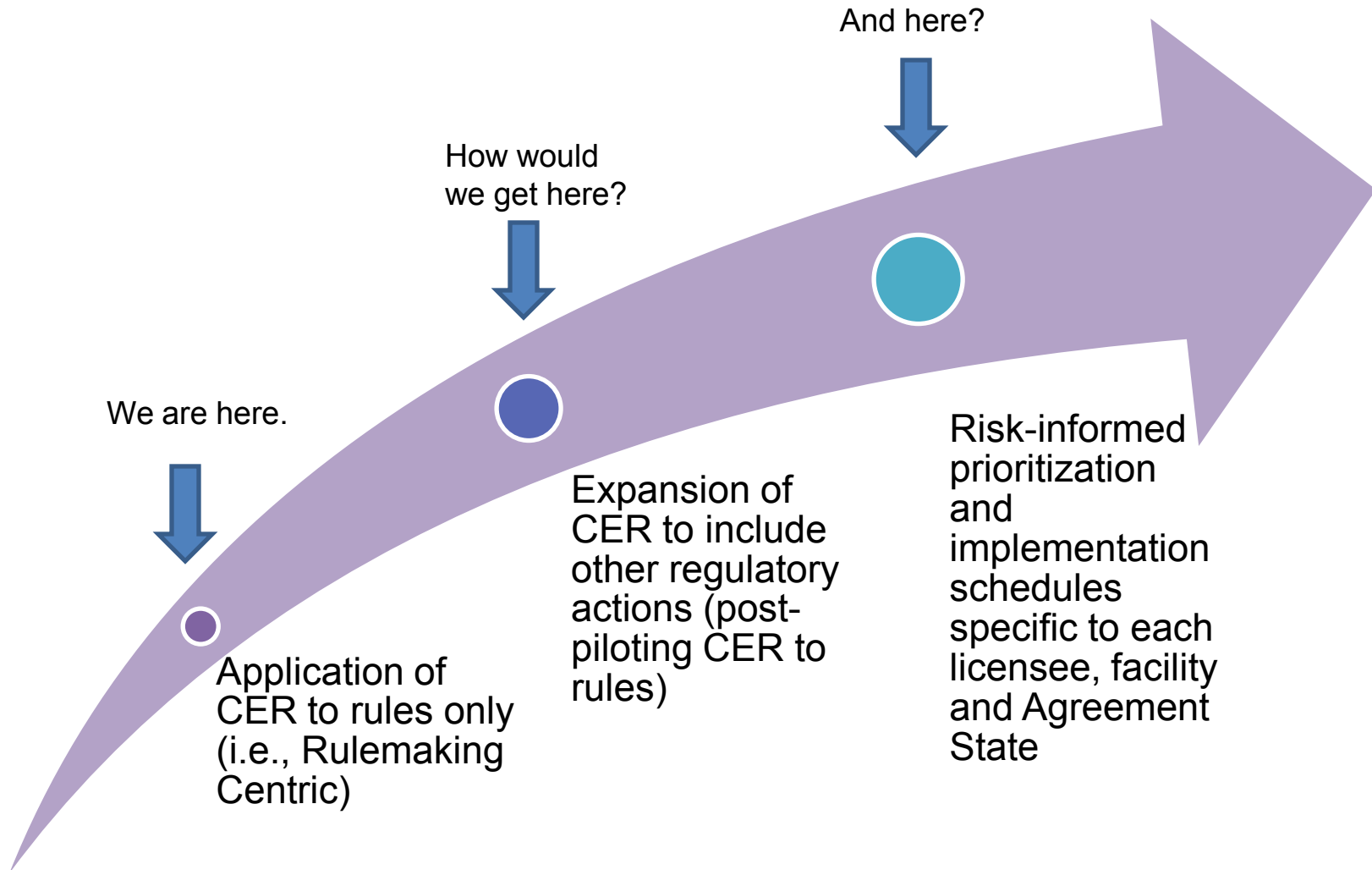
Background

- SECY-11-0032, “Consideration of the Cumulative Effects of Regulation in the Rulemaking Process” (March 2, 2011; NRC’s Agencywide Documents Access and Management System (ADAMS) Accession No. ML110190027)
- Staff Requirements Memorandum (SRM) to SECY-11-0032 (October 11, 2011; Accession No. ML112840466)

Background (cont'd)

- May 2012 public meeting on CER to obtain external stakeholder feedback
- NEI follow-up letter on CER dated June 15, 2012 (ADAMS Accession No. ML12170A660)
- SECY-12-0137, “Implementation of the Cumulative Effects of Regulation Process Changes,” dated October 5, 2012 (ADAMS Accession No. ML12223A162)
- SRM to SECY-12-0137 issued on March 12, 2013 (ADAMS Accession No. ML13071A635)
 - Directed the staff to prepare a follow-on SECY in 2 years on the effectiveness of CER and any lessons learned

NRC's CER Vision



Rulemaking-centric CER

- Increased public participation during all phases of the rulemaking process
- Specific request for comment on CER in the proposed rule *Federal Register* notices (FRN)
- Draft guidance published concurrent with proposed rules; final guidance published concurrent with final rules
- Public meeting on implementation during the final rule stage



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Expansion of CER to Other Regulatory Actions

- Could include:
 - Incorporating specific CER-related questions in request for comment on draft regulatory actions
 - Encouraging increased public interaction throughout development
 - Industry “template” could be used to gather consistent information regarding regulatory actions

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Risk-Informed Facility-Specific Prioritization/Implementation

- Could include:
 - Plant specific/risk-informed schedules (currently considered for reactors only per Commission-directed “Proposed Initiative to Increase Nuclear Safety and Regulatory Efficiency”)
 - Early interaction with stakeholders to inform regulatory action’s potential safety significance and impact
- Process could mitigate CER concerns
- NRC could utilize risk information to develop/schedule/issue regulatory actions

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SRM Direction: Outreach Tools

- “The staff should continue to develop and implement outreach tools that will allow NRC to consider more completely the overall impacts of multiple rules, orders, generic communications, advisories, and other regulatory actions on licensees and their ability to focus effectively on items of greatest safety import.”

AND RELATED DIRECTION:

- “Any expansion of the consideration of the CER should be considered in the broader context of actions directed from COMGEA-12-001/COMWDM-12-0002, ‘Proposed Initiative to Improve Nuclear Safety and Regulatory Efficiency.’”

Path Forward: Outreach Tools

- Coordinate with “Proposed Initiative to Improve Nuclear Safety and Regulatory Efficiency” working group
- Consider including CER-type questions in generic communications (generic letters and bulletins only), orders, and other regulatory actions
- Include public outreach in development of regulatory actions
- **RESULT:** Applying CER principles to regulatory actions could continue to protect health and safety while providing flexibility for licensee, facility, or Agreement State response, requirements, or implementation

Proposed CER Questions for Generic Letters and Bulletins

Draft generic letters and bulletins will include the following questions:

- In light of any current or projected CER challenges, does the draft generic letter/bulletin request provide sufficient time for you to respond with the information requested, including any need to develop this information through supporting engineering calculation or analyses?
- If a current or projected CER challenge exists, what should be done to address it? For example, if more time is required to develop and provide the information what period of time is sufficient? Are there equally effective alternatives to providing the requested information to the NRC that reduce the CER impact ?
- Do other (NRC or other regulatory agency) regulatory actions (e.g., Orders, rules, generic letter, bulletins, 50.54(f) requests) influence your response to this draft generic letter/bulletin? If so what are they and do you have a suggested approach for reducing the CER impact in light of these other regulatory actions?
- Are there other projects that you are undertaking, or plan to undertake, that provide greater safety benefit, that might be displaced or delayed as a result of the expenditure of effort and resources to respond to this draft generic letter/bulletin?
- Are there unintended consequences associated with responding to this generic letter/bulletin at this time?
- Please comment on the NRC's supporting justification for this draft generic letter/bulletin.

SRM Direction: Case Studies

- “The staff should engage industry to seek volunteer facilities to perform ‘case studies’ to review the accuracy of cost and schedule estimates used in NRC’s regulatory analysis (such as the 10 CFR Part 73 security upgrades required after the attacks of September 11, 2011 and 10 CFR 50.48c, NFPA 805 program).

Within 3 months of this SRM, the staff should provide via a Commissioners’ Assistants Note a status update on its efforts to obtain volunteer facilities.”

Path Forward: Case Studies

- NRC suggests the following rulemakings as possible case study subjects:
 - 10 CFR Part 73, Power Reactor Security Requirements
 - 10 CFR 50.48(c) NFPA 805
 - 2008 Final Rule: 10 CFR Part 26 (Subpart I, Managing Fatigue, ONLY)
 - 10 CFR 20.2207(h), National Source Tracking of Sealed Sources
- Request support of some licensees to analyze actual implementation costs and schedules vs. those assumed in the regulatory analyses
- Document commitment and possible facilities in a letter to the NRC by May 20, 2013
- NRC documents industry commitment in a Commissioners' Assistants Note by June 12, 2013
- Future public meetings to develop case studies

* Please see public meeting handout, available at ADAMS Accession No. ML13120A657.

Proposed Additional Case Studies: Licensee-Specific CER

- NRC seeks licensees and Agreement States interest in an additional case study to investigate CER impacts on individual entities
- Participants could assess the impact of recently implemented actions in light of the current and future regulatory picture
- Case study could concentrate any unique CER impact on reactor licensees, non-reactor licensees, and Agreement States

SRM Direction: CER Template

- “The staff should ensure that the development of any template is done with input from both reactor and non-reactor licensees. Additionally, the staff should encourage Agreement State engagement in the development of the template, to the extent there is interest.”

Path Forward: CER Template

- NRC seeks an update on NEI's CER efforts, including whether NEI has formed a CER working group
- Is the industry still working on (or interested in) developing a CER template?
- Would other process-type changes be more beneficial?
- NRC will provide an update to the Commission via a Commissioners' Assistants Note

Next Steps

- Stakeholders provide a letter to NRC documenting:
 - Commitment to case study project
 - Status of CER template (or alternate process)
- NRC holds future public meetings on case study project, template (or process), and status of CER, in general

Questions?

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