

POLICY ISSUE

(INFORMATION)

August 22, 2014

SECY-14-0093

FOR: The Commissioners

FROM: K. Steven West, Chairman
Committee to Review Generic Requirements

SUBJECT: ANNUAL REPORT OF CRGR REVIEW ACTIVITIES

PURPOSE:

This paper provides the Commission with the annual report of the activities of the Committee to Review Generic Requirements (CRGR or the committee). The report covers the period from June 1, 2013, through May 31, 2014. This paper does not contain any new commitments or resource implications.

BACKGROUND:

The CRGR comprises senior U.S. Nuclear Regulatory Commission (NRC) managers drawn from the Offices of Nuclear Regulatory Research (RES), Nuclear Reactor Regulation, New Reactors, Nuclear Material Safety and Safeguards, Nuclear Security and Incident Response, Federal and State Materials and Environmental Management Programs (FSME), the General Counsel, and one of the regional offices selected on a rotating basis (currently, Region I). The CRGR reports to the Executive Director for Operations (EDO) who appoints the chairman and members. The committee conducts its activities in accordance with Revision 8 of the CRGR charter, dated March 2011 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML110620618). The RES staff provides technical and administrative support to the committee.

By charter, the CRGR reviews selected regulatory requirements, generic correspondence, regulatory guidance, and NRC staff guidance related to licensing, inspection, and enforcement that could impose a generic backfit. The CRGR ensures that any generic backfits proposed for NRC-licensed power reactors, new reactors, and nuclear materials facilities that fall within the

CONTACT: Les Cupidon, RES
301-251-7684

committee's charter are appropriately justified on the bases of the backfit provisions of the applicable NRC regulations, the Regulatory Analysis Guidelines (NUREG/BR-0058), and the Commission's backfit policy. The committee also helps the NRC regulatory offices implement the Commission's backfit policy and recommends to the EDO either approval or disapproval of certain staff proposals.

Since 1997, the committee has annually evaluated and reported its activities to the Commission. This paper provides the committee's annual report for the period of June 1, 2013, through May 31, 2014. It summarizes the backfit reviews performed by the committee during the assessment period, provides the results of the committee's annual self-assessment, summarizes the results of its 5-year review of administrative backfit controls, and provides the status of outstanding Office of the Inspector General (OIG) audit recommendations.

DISCUSSION:

Backfit Reviews Conducted by CRGR

During the assessment period, the staff submitted 13 proposed generic documents to the CRGR for review. The CRGR reviewed 12 of these documents and deferred its review of one. Of the 12 items reviewed, nine were proposed regulatory issue summaries (RIS), two were draft NUREG reports, and one was a draft regulatory guide (DG). The staff did not propose any generic backfits. On the basis of its reviews, the CRGR did not identify any inadvertent backfits and endorsed the documents. The CRGR has deferred its review of proposed Generic Letter 201X-XX, "Monitoring of Neutron-Absorbing Materials in Spent Fuel Pools," until after the staff completes the public comment phase. These CRGR actions are summarized in the enclosure.

Results of CRGR Self-Assessment

The committee solicited feedback from the regulatory offices and used its own insights to assess its effectiveness in fulfilling the primary areas of responsibility specified in the CRGR charter and its impact on staff activities. The results of the self-assessment are provided below.

1. Proposed Generic Communications

During this assessment period, the staff did not propose any generic backfits, and the CRGR did not identify any inadvertent generic backfits. For each of the 12 proposed generic documents that the committee reviewed, the committee verified that the staff proposal was consistent with the backfit provisions of the applicable regulations and the Commission's backfit policy, and that the staff had correctly assessed and appropriately explained any potential regulatory impacts on the licensees. The committee also confirmed that the staff had followed the requirements specified in the CRGR charter and had provided all documentation needed to support the CRGR review. On the basis of staff feedback and its assessment of these CRGR reviews, the committee concluded that it had effectively fulfilled this key charter responsibility.

The CRGR attributed the absence of identified backfit issues to the maturity of the generic communications process, the concurrence process, the thorough reviews conducted by the staff and OGC as it develops generic communications, and the opportunities for public comment for certain generic communications. The CRGR members agreed that the generic communications process has improved over the years due largely to the institution of process improvements across the NRC offices, more stringent project management and adherence to quality assurance, and the use of improved generic communications procedures and tools (e.g.,

desktop guides). The CRGR concluded that the concurrence process ensures that all pertinent offices are appropriately involved; the appropriate technical staff, branch chiefs and SES-level managers are involved in the reviews; and OGC is involved in the reviews of both legal issues and backfit considerations. In fact, OGC performs a thorough legal review of each generic communication and inserts the appropriate backfit language into each document.

2. NRC Processes

The CRGR charter specifies that the regulatory offices incorporate the CRGR process into their administrative procedures for developing new or revised generic actions. Implementing documents include:

- MD 8.4, "Management of Facility-Specific Backfitting and Information Collection," October 9, 2013 (ADAMS Accession No. ML050110156).
- LIC-202, "Procedures for Managing Plant-Specific Backfits and [10 CFR] 50.54(f) Information Requests," Revision 2, May 17, 2010.
- LIC-300, "Rulemaking Procedures," Revision 4, September 24, 2012.
- LIC-400, "Procedures for Controlling the Development of New and Revised Generic Requirements for Power Reactor Licensees," Revision 1, December 20, 2006.
- LIC-503, "Generic Communications Affecting Nuclear Reactor Licensees," November 29, 2004.

As previously noted, the CRGR reviewed 12 documents during the assessment period. For each CRGR review, the committee interacted with the staff, as needed, to understand the intent of the proposed generic communication as well as any potential or actual backfitting implications. On the bases of the quality of the documents submitted for its review and on the quality of its interactions between the responsible regulatory office staff and managers, the CRGR concluded that the established CRGR review process, in concert with the associated agency and regulatory office implementing procedures, resulted in the proper treatment of any backfit considerations during the development and review of proposed generic communications. For these reasons, the committee concluded that it and the staff had effectively fulfilled this charter responsibility.

3. Impact and Value of the CRGR Process

Throughout the assessment period, the CRGR provided guidance to the staff about generic backfitting considerations as the staff drafted proposed generic communications. The committee's objective was to address any implications of potential backfits in proposed generic documents before the staff issued them for public comment and subsequent CRGR review. To minimize delays, to the extent practicable, the CRGR scheduled its meetings expeditiously as the NRC staff requested, scheduled special meetings to meet the staff's needs, and provided timely real time assistance to the staff before and during the committee's reviews. In addition, to expedite the endorsement process, the CRGR members often helped the sponsoring office staff resolve committee comments. As a result, the sponsoring office staff generally needed to expend only minimal effort to respond to the committee's comments and recommendations.

For this assessment period, the committee concluded that its reviews were timely, focused on the priority issues, and beneficial to the NRC staff in effectively achieving the intended regulatory objectives. Interactions with the NRC staff were positive and professional, resulting in constructive feedback and useful insights to ensure product compliance with the applicable backfit provisions. The committee typically completed its reviews by the staff's requested due dates.

The CRGR often asked questions of the staff and sometimes made comments on its proposed generic communications, which may have required revisions. In most cases, these comments were not related directly to backfit issues, but to other technical or regulatory or editorial (e.g., issues of clarity) concerns associated with the proposed generic document under review. The staff, in general, judged that the workload needed to address the CRGR comments was not burdensome relative to the value added. The following example highlights the value added by the CRGR.

As a result of its review of proposed final RIS 2014-XX, "Maintaining the Effectiveness of License Renewal Aging Management Programs," the CRGR provided comments that required the staff to revise the final RIS before issuing it. According to feedback provided to CRGR by the staff, the time needed to revise and finalize the RIS caused a schedule delay. As part of its self-assessment, the CRGR reviewed the reasons for the schedule delay and concluded that the delay was due largely to revisions required by the staff to address a CRGR comment regarding the application of the NRC Enforcement Policy. Because the rework resulted in a revision to the final RIS, it caused the need for another review by OGC, re-concurrences on the revised final RIS, and a confirmatory check by CRGR to obtain CRGR endorsement. In the view of the CRGR, had the issue not been found and corrected before the RIS was issued, it could have caused confusion, both internally and externally, about that application of the Enforcement Policy and could have resulted in unnecessary costs to address the confusion after the fact. In its input to the CRGR self-assessment, the staff stated that "ultimately, the revised document was improved after the author coordinated with OGC to bring it into alignment with the NRC's enforcement policy and regulatory requirements." In this case, the CRGR concluded that the delay resulting from its comments regarding enforcement did not cause any adverse impact on public health and safety, the staff or the regulated industry, and that the value of the revision to the final RIS outweighed the staff cost.

In summary, for the assessment period, feedback from the regulatory offices indicated that the CRGR review process added value across the board by ensuring that proposed generic documents were consistent with the applicable Commission policies, rules, and regulations and did not inadvertently backfit new requirements on licensees. In addition, the offices stated that the staff generally expended minimal effort addressing CRGR comments and recommendations. Moreover, except for the example discussed above, the costs and impacts associated with CRGR review activities did not significantly affect the overall schedules and staff resources beyond those associated with preparing the packages for CRGR review.

Results of CRGR Review of Administrative Backfit Controls

During the assessment period, the CRGR conducted a 5-year review of administrative backfit controls for plant-specific backfits as specified in MD 8.4. On the basis of its review, the CRGR found that all of the regions have written procedures and backfit training, and all of the regulatory offices except FSME have written backfit procedures. FSME does not have written procedures because there are no backfitting requirements specified in the NRC regulations that apply to FSME licensees. Two of the regulatory offices have formalized backfit training

and the other offices that have staff involved in backfitting take steps to provide training on an as needed basis.

Overall, on the basis of the quality and completeness of the proposed generic communications submitted to the CRGR for review and the fact that there were no identified backfitting issues, the CRGR concluded that the staff has effective backfitting procedures and adequate training.

Status of OIG Audit Recommendations

The OIG last audited the CRGR in 2008. In Audit Report OIG-09-A-06, "Audit of the Committee to Review Generic Requirements," dated February 2, 2009 (ADAMS Accession No. ML090330754), the OIG recommended that the NRC improve its process for reviewing backfit issues and clarify the role of the CRGR. The committee's action plan for addressing the OIG recommendations included implementing an overarching agency backfit program by updating the CRGR charter and MD 8.4, updating the regulatory office implementing procedures, and developing an agency-wide backfit training program (ADAMS Accession No. ML101170084).

The updated CRGR charter was issued in March 2011, and is still in effect. MD 8.4 was updated and reissued in October 2013. The current version of MD 8.4 reflects changes in NRC organizational responsibilities and the backfit program, and incorporates guidance for effectively managing generic and plant-specific backfits. The regulatory offices will revise their internal implementing procedures, as appropriate, to reflect the updates to MD 8.4. The CRGR verifies the office procedures during its periodic reviews of administrative controls.

Completion of the agency-wide backfit training program will resolve the one remaining OIG recommendation. As discussed in previous CRGR annual reports (e.g., SECY-13-0092), the Office of the Chief Human Capital Officer (OCHCO) and CRGR staff are coordinating with the regulatory offices to develop such a program. The program will consist of training modules that cover the backfitting process, including the applicable regulatory requirements and guidance and the Commission's backfit policy. The modules, once completed, will be developed into a Web-based training program for use agency wide.

CONCLUSION

The CRGR continues to contribute to staff and industry awareness of the applicable NRC regulations and Commission policy on backfitting. The self-assessment and program office feedback indicates that the committee has provided its reviews and evaluations in an efficient and effective manner, added value to the regulatory process, and contributed to the accomplishment of the NRC's mission.

/RA/

K. Steven West, Chairman
Committee to Review Generic Requirements

Enclosure:
Items Reviewed By the Committee
to Review Generic Requirements
June 1, 2013, Through May 31, 2014

and the other offices that have staff involved in backfitting take steps to provide training on an as needed basis.

Overall, on the basis of the quality and completeness of the proposed generic communications submitted to the CRGR for review and the fact that there were no identified backfitting issues, the CRGR concluded that the staff has effective backfitting procedures and adequate training.

Status of OIG Audit Recommendations

The OIG last audited the CRGR in 2008. In Audit Report OIG-09-A-06, "Audit of the Committee to Review Generic Requirements," dated February 2, 2009 (ADAMS Accession No. ML090330754), the OIG recommended that the NRC improve its process for reviewing backfit issues and clarify the role of the CRGR. The committee's action plan for addressing the OIG recommendations included implementing an overarching agency backfit program by updating the CRGR charter and MD 8.4, updating the regulatory office implementing procedures, and developing an agency-wide backfit training program (ADAMS Accession No. ML101170084).

The updated CRGR charter was issued in March 2011, and is still in effect. MD 8.4 was updated and reissued in October 2013. The current version of MD 8.4 reflects changes in NRC organizational responsibilities and the backfit program, and incorporates guidance for effectively managing generic and plant-specific backfits. The regulatory offices will revise their internal implementing procedures, as appropriate, to reflect the updates to MD 8.4. The CRGR verifies the office procedures during its periodic reviews of administrative controls.

Completion of the agency-wide backfit training program will resolve the one remaining OIG recommendation. As discussed in previous CRGR annual reports (e.g., SECY-13-0092), the Office of the Chief Human Capital Officer (OCHCO) and CRGR staff are coordinating with the regulatory offices to develop such a program. The program will consist of training modules that cover the backfitting process, including the applicable regulatory requirements and guidance and the Commission's backfit policy. The modules, once completed, will be developed into a Web-based training program for use agency wide.

CONCLUSION

The CRGR continues to contribute to staff and industry awareness of the applicable NRC regulations and Commission policy on backfitting. The self-assessment and program office feedback indicates that the committee has provided its reviews and evaluations in an efficient and effective manner, added value to the regulatory process, and contributed to the accomplishment of the NRC's mission.

/RA/

K. Steven West, Chairman
Committee to Review Generic Requirements

Enclosure:
Items Reviewed By the Committee
to Review Generic Requirements
June 1, 2013, Through May 31, 2014

ADAMS Accession No.: ML14149A495 Pkg WITS:199700390

OFFICE	CRGR	SUNSI Review	Tech Editor	RGGIB	DE	OGC	CRGR
NAME	LCupidon	LCupidon	JZabel (by email)	TBoyce	MCase	JBiggins (NLO via email)	KSWest
DATE	07/24/14	07/24/14	07/10/14	07/24/14	07/28/14	08/18/14	08/22/14

OFFICIAL RECORD ONLY