

April 18, 2016

To staff of NRR and the NRC staff who do work for NRR:

The NRR Leadership Team continues to focus on how we can leverage or revise our existing licensing processes to enhance our efficiency, effectiveness, and predictability as a regulator, while maintaining our continued strong safety focus. Over the last year, we took a number of actions which served to improve and focus our processes. As a result of these activities and your efforts, the office made tremendous progress in reducing the licensing backlog and prioritizing new and emergent work. With a year's run time, feedback, and insights from various office working groups, we have reflected on what worked well, what did not, and what adjustments should be made moving forward. This version of the expectations memo is superseded by the original one.

The NRR Leadership Team has aligned on a common set of expectations that we believe will ensure our continued focus on safety while effectively leveraging our established processes (e.g., LIC-101, LIC-109, LIC-111) to maintain the workflow in the office. Through adherence to a common set of expectations, we anticipate that we can achieve our common goals of consistency of process, sound decision-making, and discipline of schedule. The intent of these expectations is to provide additional clarity to those expectations addressed in existing NRR processes and guidance. Following the issuance of this expectation memo, these processes will be revised to incorporate this guidance.

The NRR Leadership Team is holding monthly meetings with the NRR Executive Team to discuss the status of licensing actions and to focus our attention on bringing licensing actions to closure. Your continued support in keeping Firefly/RRPS<sup>1</sup> updated with realistic schedules and ensuring close communication and coordination between the technical and projects staff is essential to our efforts. In addition to the monthly meetings, the technical and projects Deputy Directors are meeting bi-weekly to discuss open licensing actions, establish and monitor licensing metrics, and develop alignment on the best approaches to completing those actions. Divisional Management from other offices (NRO/DSEA, NRO/DCIP, NSIR/DPR, NSIR/DSO, NSIR/CSD, and NSIR/DSP) doing work for NRR should also attend these meetings.

Please ensure implementation of the following when conducting the reviews of the licensing actions assigned to you. Your commitment to these expectations and to effective communications across the organization are critical to our continual improvement.

### **Acceptance Review**

1. As stated above, it is important that all staff (Project managers (PMs) and technical staff) ensure that the milestone dates in Firefly/RRPS are kept up-to-date and reflect realistic schedules. The PMs shall complete the Blue Sheets within 2 days of receipt of the Blue Sheet notification email. The PM will use the Firefly/RRPS "Resource Matrix" to select the technical branches that should be involved in the review. The PMs will be "conservative" in selecting branches. In other words, if the PM is not sure if a branch should be included, the PM will make reasonable attempts to communicate with the BC to see if they need to be

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<sup>1</sup>RRPS or Replacement RPS will eventually replace Firefly. More information on RRPS can be found here: <https://drupal.nrc.gov/announcements/standard/general-interest/8282>.

included in the review. If attempts to contact that BC are unsuccessful, then select the branch and complete the Blue Sheet. This will allow potentially affected branches to “opt-in” or “opt-out” during and before the Green Sheet process.

2. The Firefly/RRPS “Resource Matrix” database functions (accessible when a PM fills out a Blue Sheet under the “Review Assistance Requested” section of the Blue Sheet) will be maintained by the divisional Technical Assistants in NRR, NSIR (EP, Security), and NRO (External hazards and Quality Assurance) to ensure the accuracy of the work scope housed within each branch. In addition, PMs will be trained on use of the Resource Matrix, and the Resource Matrix database will be accessible for use on the DORL SharePoint site.
3. The technical Branch Chiefs (BCs) shall complete the Green Sheet within 5 days of receipt of the Green Sheet notification email. This initial action only includes the scope of the review and the assigning of each branch’s technical reviewer(s).
4. Specific emphasis is to be placed on the overall implementation of LIC-109 as written. If the information provided in a licensee’s LAR is not sufficient, the action should not be accepted. However, as a reminder, the acceptance review is intended to determine the sufficiency (omission of needed information) of information to support a review versus the technical adequacy of the provided information, or the ultimate ability to approve the amendment.
5. Within 10 days of receiving all the Green Sheets for a given licensing action, the PM should schedule a meeting with all of the reviewers to discuss the acceptance review. The purpose of this meeting is to bring up any immediately apparent information insufficiencies in the application, or any issues with the acceptance review schedule.
6. Effective October 1, 2016, once the acceptance review is complete, the timeliness metrics will officially begin. The acceptance review is complete once the PM gets all of the acceptance notifications from each technical branch involved, and the PM will start the clock on that date. This is a change to our current timeliness metric, which begins at the time of receipt of the licensing action. Modifying this metric to “start the clock” at the time of completion of the acceptance review serves to better capture the staff’s review time when additional information is required of the licensee in order to accept an application. However, as a result of this increased flexibility, greater adherence to the acceptance review process is paramount.

### **Estimated Hours/Schedule**

In coordination with the DORL PM and as described below, the technical staff will enter the estimated hours to complete an action and the associated milestone dates in Firefly/RRPS and when the acceptance review is completed. Once the acceptance review is completed, the technical reviewer will have a much better understanding of the licensing action (e.g., issues with the analysis or missing calculations). When the NRC technical staff (i.e., BCs and technical reviewers) enters milestone dates on the Green Sheet, the dates to be entered are to be dates that can be achieved with a high degree of confidence. The technical staff should carefully review the dates proposed by the PM on the Blue Sheet and assess the ability to meet those dates or discuss the proposed revised dates with the PM. The reviewers should take into consideration their current/expected workload, planned leave, and the priority of other tasks that they are supporting in the same timeframe. In addition, the reviewers should consider whether

the licensee's requested review schedule is realistic (e.g., licensee requesting a review be completed in a short timeframe). Once milestones are established, if circumstances change such that meeting the target dates is in jeopardy, the technical reviewer will update the schedule dates for the impacted milestones in Firefly/RRPS after discussing with the PM and receiving approval from his/her branch chief.

1. Generic resource or hours estimates based on the technical reviewer's scope of review (i.e., whether the technical reviewer has full, partial, or concurrence only) are to be used to establish a common starting point for level of effort estimates. The information for the generic estimates can be obtained from the divisional technical assistants.
2. Licensing actions where the estimated hours for all branches on the project team exceeds 200 total hours need to be evaluated to see if they are to be considered as complex licensing actions. Complex licensing action activities will be described later in this memorandum. This is also the level of review (greater than 200 hours) where management will focus on the hours forecasted versus the hours expended. The purpose of management's focus on these potentially complex types of actions is to drive early identification and communications for potential problems and engage/provide assistance, as needed. Management will still evaluate the licensing actions that are considered routine for negative trends, regardless of their complexity.
3. When a substantial supplement is made to an existing licensing action that is under review, a meeting shall be scheduled promptly by the PM, with the licensing action review team, their associated BCs, and the associated Divisional Management to assess the impact on the licensing action review and to determine, if it should be considered complex. The PM also will determine whether the licensing action should be re-noticed. The potential outcomes of the meeting will be one of the following: (1) if it is determined that the supplement is not a significant change in the overall review, the review can continue as is; (2) if it is determined that the licensing action is to be considered complex, then process the exclusion memo and continue with the review; (3) if it is determined that the supplement results in significant changes in the overall review, then the original cost activity code (CAC) should be closed and a new CAC opened, and the metric clock for timeliness started anew. This should be a rare occurrence and the rationale for closing the CAC needs to be documented in the work tracking process. Following the outcome of the meeting, if the decision is option 2 or 3 then a call will be made by DORL management to the licensee to discuss the outcome of the meeting. If the decision is option 2, then the affected technical reviewers should revise their original estimated hours to incorporate this additional effort in the licensing action. If the decision is option 3 and a new CAC will be opened, then the technical reviewers will estimate the new review hours and coordinate with the PM on the new milestone dates, and the process described above for monitoring will restart.
4. Anytime that a scheduled milestone will not be achieved (i.e., late responses from a licensee or late inputs from technical reviewers), prompt communications between the PM and technical reviewers will occur to ensure agreement on revised milestones prior to exceeding them. The PM will also evaluate if the new scheduling date presents a risk to meeting the 1 or 2-year metric or licensee need date. If so, the PM will ensure that appropriate NRC Divisional management is aware of the issue to evaluate if any adjustments are necessary.

## **Review and Request for Additional Information (RAI)**

1. A staff's review of an application will be limited to the scope of the licensing action and RAIs shall have a clear nexus to information required to make a safety determination regarding the licensing action. Material previously reviewed and approved generically by the NRC (e.g., topical reports, TSTFs, etc.) should not be reviewed again for a plant-specific application. Staff concerns with a prior generic approval shall be promptly raised to respective BCs and division management. However, the staff should evaluate how the licensee satisfied any plant-specific aspects of implementation of the generic approval (e.g., any limitations and conditions approved in the topical report or applicability of the approved TSTF to the particular plant design).

An example of an out of scope RAI is as follows: a licensee requested a measurement uncertainty recapture (MUR) license amendment request (LAR). NRC staff proposed an RAI regarding when the licensee was transitioning to their MRP-227 program. The NRC staff tried to justify the RAI by indicating that they may need some level of commitment (or obligation) from the licensee about transitioning to the program in the future. However a licensee's future participation in the MRP is not germane to the MUR approval, since what they are presently doing ensures the health and safety of the public.

2. At the point when RAIs are transmitted from the technical staff to DORL, the technical staff shall have developed a draft safety evaluation (SE). In addition to ensuring that the RAIs contain both a sound technical and regulatory basis, the technical staff should be able to correlate each RAI to a "hole" in the draft SE that the licensee response is intended to fill. In the transmittal of the RAIs to DORL, the technical BC will acknowledge the review of the draft SE, confirming that holes in the draft SE line up with the RAIs being asked. Developing draft SEs at the RAI stage enhances our safety focus by ensuring we obtain the necessary information to complete our licensing review while providing greater clarity and discipline in our RAI development process.

With agreement between the technical and projects BCs, this expectation may be waived when it is in the best interest of both organizations. Applying this waiver should be the exception, not the rule, and is anticipated to be used primarily in cases where expediency is necessary (e.g., emergency or exigent amendments, development of the draft SE would have an overwhelmingly negative impact on schedule not commensurate with the benefit, etc.).

3. Management will maintain a focus on RAIs. The NRR Leadership Team recognizes a significant amount of our actual licensing review time is dedicated to the development, processing, and issuance of RAIs. In addition, licensee timeliness in providing responses can have a significant impact on our ability to complete our safety reviews in a timely manner.
  - a. Technical and projects staff should leverage appropriate communications means such as public meetings and teleconferences to the maximum extent possible, in order to enhance clarity and understanding both during the development of draft RAIs and after sending RAIs to licensees. Enhanced engagement with licensees should facilitate staff understanding of licensee submittals, reduce the number of RAIs needed, and enhance licensees' understanding of RAIs and their ability to respond effectively. These

interactions are to be conducted in accordance with our openness policies and documented, as appropriate, in ADAMS.

- b. Prior to sending a second (and any subsequent) round of RAIs in a specific technical area, the PM, technical reviewer and the respective BCs shall meet to discuss the need for a second round of RAIs and whether alternative methods, such as a public meeting or audit, for gathering the necessary information may be more effective and efficient. Following that meeting, the DORL and technical BCs shall discuss the proposed path forward with their Deputy Directors to obtain Divisional Management approval of the path forward.
  - c. PMs may continue to use any of the current methods delineated in Section 4.3 of LIC-101 for issuance of RAIs. When issuing RAIs via formal letter or email, PMs shall default to affording a licensee 30 days to respond to RAIs and will document such in the official transmittal of the RAIs to the licensee. If the licensee requests a greater than 30-day response time, the PM shall address the licensee's need for a later response date with both the DORL and Technical BCs for agreement of the later response date. The PM's goal shall be to issue formal RAIs to licensees within 5 business days after the clarification call has been held to discuss the draft RAIs (or the licensee's notification that a clarification call is not needed). PMs shall provide technical BCs and staff, via email, with the date that RAI responses are due to facilitate effective workload planning by the technical branches.
    - i. With agreement between the technical and projects BCs, up to 60 days may be granted to licensees for providing a response. This approval will focus on whether a licensee's extension request would challenge our timeliness metrics.
    - ii. Licensee requests longer than 60 days shall be elevated, with the BCs' recommendation, to the technical and projects' Divisional Management for approval. This approval will focus on whether a licensee's extension request would challenge our timeliness metrics.
  - d. PMs will track licensee timeliness and adherence to RAI response schedules. Any delays in licensee responses shall be raised to the BCs and Deputy Directors for consideration of whether denial in accordance with 10 CFR 2.108 is appropriate. Trends will be evaluated in Firefly/RRPS on the average timeliness to assess our processes and metrics.
4. Early, enhanced management attention and engagement shall be provided whenever staff is considering denial of a license amendment for technical and safety reasons. Management recognizes that some licensing requests may not satisfy NRC safety regulations and warrant a denial. Whenever a denial is being considered, a BC-level meeting between the technical and projects organizations shall be held at the earliest opportunity. If the outcome of that meeting is anything other than technical and project's alignment to continue the staff's review, the respective Deputy Directors shall be briefed expeditiously. The technical and projects' BCs shall collaborate to prepare a joint briefing with options and recommendations, even if differing views exist. If the Deputy Directors support a denial recommendation, a denial SE shall be prepared and processed in accordance with established procedures in LIC-101.

## **Complex Review**

1. A licensing action may be considered complex if any of the following criteria are satisfied: (1) it is a first of a kind; (2) is especially voluminous; (3) involves a large number of branches in the review (i.e., will require extensive coordination to determine scope for each branch and development of Safety Evaluation); (4) will require ACRS review; (5) relates to an unresolved generic issue; (6) involves issues with parameters that have limited margin of acceptable values (e.g., ultimate heat sink, steam dryer stresses); or (7) the initial schedule developed during Blue/Green process, if not related to lack of resources, indicates review will take longer than 1 year.
2. If a PM becomes aware of a potential complex licensing action submittal, he or she will inform the PM's management as soon as possible. The PM should then request the licensee to have a pre-submittal meeting. The PM should request that the licensee provide sufficient information (i.e., the nature of the LAR, specific technical disciplines involved, relevant recent precedents, novel issues, etc.) in advance of the pre-submittal public meeting to support the NRC staff's engagement and level of knowledge at the public meeting. Prior to the pre-submittal meeting, the NRC staff will have an internal NRC staff meeting to discuss the information from the licensee to prepare and align on the potential issues associated with the proposed licensing activity. It is imperative that the technical reviewers who will most likely be assigned to the review attend the internal alignment and the pre-submittal public meeting for maximum efficiency and effectiveness.

For complex licensing actions, the PM will schedule a kick-off/alignment meeting after the acceptance review. The purpose of the meeting is for all members of the project team to understand the scope of their review and to make sure the team knows any intricacies of the review. In addition, the team should discuss if an exclusion memo needs to be written to exclude the action from the 1-year and 2-year timeliness metrics. If it is determined that the licensing action should be excluded, the PM shall prepare and process the exclusion memo within 30 days of the kick-off meeting.

3. The PM will also regularly schedule meetings between the PM and technical reviewers throughout the review to ensure that any potential issues are promptly identified and addressed.

## **Group Submittals**

Management should evaluate whether to form a small team of staff to address licensing actions associated with a group of similar reviews (e.g., risk-informed submittals or upcoming 50.46c reviews). The intent such a group is to ensure consistency of initial reviews and to identify opportunities for gaining efficiencies in the long term.

## **Leveraging Risk-Insights in Licensing Actions**

One way to maximize the effectiveness and efficiency in the overall licensing review process is by focusing the review effort on the plant design aspects that are the highest contributors to overall plant risk and safety. Risk insights can be considered in focusing the scope, depth, and priority of the review. The guidance for conducting risk-informed reviews of licensing

applications is contained in the Standard Review Plan (SRP) section 19.2 and other regulatory guidance, such as Regulatory Guide (RG) 1.174. Further guidance will follow for using risk insights in the near future.

### **Contracting**

1. When staff resources are challenged, efforts shall be made to contract out licensing work. When staff resources are challenged, technical and projects staff shall evaluate all new and ongoing licensing reviews to determine whether they can be most effectively contracted out. Consideration should be given to past experience contracting similar reviews, timeliness of reviews for contracting efforts, workload of key staff members, and whether existing in-house expertise is available. For licensing reviews that span branches and/or divisions, any technical branch that decides to contract their review shall inform the PM, who in return will discuss with all the BCs involved in the review whether it is appropriate to contract out all of the technical review areas. Contracting an entire licensing review may be more efficient and effective than contracting some portions while reviewing others in-house. Decisions on contracting whole or portions of a licensing action will be made by the BCs on a case-by-case basis.
2. It is the responsibility of the Contracting Officer Representative (COR) to maintain oversight to ensure scheduled dates are met. The COR is also required to communicate as discussed above, if dates are slipping or can't be achieved.

### **Other Enhancements**

1. To help ensure that all new employees fully understand the overall licensing process, the qualification process in NRR Office Instruction ADM-504 will be enhanced to include a specific NRR technical staff qualification signoff associated with the license amendment process in LIC-101 (i.e., the oral board examination for the qualification should include questions on LIC-101). The NRR staff qualification signature for the LIC-101 signoff described above must be signed off by a current DORL BC. Staff currently outside of NRR need to schedule training with a current DORL BC to understand the workflow and processes in NRR.

Firefly/RRPS will be modified to send automatic e-mail reminders for the project review milestones at various times throughout the reviews. However, PMs are still expected to periodically engage with the technical staff to ensure sustained progress is being made on licensing reviews and provide the necessary support.

If you have any questions, please feel free to discuss them with your BC or Divisional Management. Staff outside of NRR, please feel free to contact the DORL Divisional Management in NRR with any questions.

## **BASIC GUIDANCE FOR ESTIMATING HOURS TO COMPLETE A LICENSING ACTION**

NRR Office Instruction LIC-101 requires that the projects and technical staff estimate how many hours will be required to complete a safety evaluation. The estimated hours are used for workload management and planning. This guidance is intended to establish a basic process for providing estimated hours.

Estimated hours are recorded in Firefly. Each project manager and technical reviewer assigned to a task in Firefly will provide estimated hours to complete the evaluation of their scope of review (e.g., all, partial, peer review, or concurrence only). The estimate should be made and recorded in Firefly after the acceptance review has been completed, such that the technical reviewers have a better understanding of the scope of the licensing action and potential challenges.

Licensing actions come in a multitude of shapes and sizes, with varying degrees of technical detail and standardization. As a result, the estimated hours for each licensing action will vary. Generic examples of several types of licensing actions, based on historic data, are provided with this guidance. These estimates should bound many individual licensing actions. As we identify trends, additional generic examples will be added and the estimates will be adjusted.

When making an initial estimate, project managers and technical staff should be reasonable and realistic in their approach. The generic estimates included in this guidance are intended to be a common starting point, to be informed by historic data and staff experience relative to the specific licensing action. In the acceptance review determination, the technical staff should identify the basis for their estimate. For example, a licensing action may require a complex confirmatory analysis or may include multiple bundled requests. These may have a significant effect on the level of effort and would form the basis for higher estimates. In addition, a licensing action might be editorial in nature or have clearly established precedents. These would form the basis for lower estimates.

Once the acceptance review is complete, the project manager will compile the estimates from all staff members. If the total estimate for the licensing action is greater than 200 hours, then the project manager must schedule a kick-off meeting with representation from all branches with review scope. The purpose of this meeting will be to ensure that the project manager and technical staff understand the division of scope between branches, that all branches required to review the licensing action are identified, and that the basis for the total estimated hours is understood.

During the course of the review, significant supplements or changes to the licensing action will be cause to revise the staff's estimates. When revising an estimate, the technical staff must first discuss the changes with the project manager and identify milestone changes or challenges to the timeliness metrics. After discussion and agreement, the new estimate should be recorded in Firefly.

## PROCESS FOR ESTIMATING HOURS TO COMPLETE A LICENSING ACTION

- STEP 1: Complete Acceptance Review in accordance with NRR Office Instruction LIC-109.
- STEP 2: Based on the results of the Acceptance Review, identify the major considerations that will impact the level of effort.
- STEP 3: Estimate the hours required to complete your portion of the licensing action. Identify the basis for increases beyond the generic examples below. Inform the estimate with historic data, branch knowledge, and experience.
- STEP 4: Update Firefly with your estimate. Provide the basis for your estimate to the project manager along with the acceptance review determination.
- STEP 5: Project manager schedules a kick-off meeting with all technical branches for licensing actions that exceed an estimated 200 hours.
- ONGOING: Evaluate whether supplements to or changes in the licensing action significantly affect your estimate. If the estimate must be revised, then discuss your proposed revision with the project manager prior to making the change in Firefly.

### **License Amendment Request**

Scope of Review	Hours
Full	100
Partial	40
Peer Review	20
Concurrence Only	10
Project Manager	40

### **Relief Request**

Scope of Review	Hours
Full	40
Partial	20
Peer Review	20
Concurrence Only	10
Project Manager	20