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The Honorable Ivan Selin
Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Dear Chairman Selin:

SUBJECT: REGULATORY REFORM INITIATIVES AND NATIONAL PERFORMANCE
REVIEW PHASE II

During the 421st meeting of the Advisory Committee on Reactor Safeguards, May 4-6, 1995, we discussed the status of the ongoing Regulatory Reform Initiatives Program (RRIP) and the activities regarding the National Performance Review Phase II (NPR II). During this meeting, we had the benefit of discussions with representatives of NRR, RES, the NRC NPR II Steering Committee, and the Nuclear Energy Institute (NEI). We also had the benefit of the documents referenced. The purpose of our report is to provide comments in a timely manner on the activities of the NPR II Steering Committee.

The NPR II effort draws on the RRIP. The RRIP, which includes elements of the Regulatory Impact Survey (1989), the Regulatory Review Group (RRG) Study (1993), and the RRG Implementation Plan (1994), anticipated the regulatory review aspects of the NPR II requirements. The Cost-Beneficial Licensing Actions and the Requirements Marginal-to-Safety programs demonstrate NRC's commitment to effective and cost-beneficial regulation. As the result of these activities, the NPR II Steering Committee is well positioned to provide specific and detailed recommendations to address the Phase II review of existing regulations.

The NPR II also requests a review of the agency mission and an examination of the possible devolution of selected responsibilities to state or local authorities. These issues are being integrated into the Steering Committee recommendations.

The Steering Committee provided us with an outline of the approach to be taken in response to all three areas of concern to the NPR II review. The Steering Committee is tasked to identify burdensome, outdated, marginal-to-safety, overly prescriptive, and overlapping regulations, and to recommend appropriate changes. A review of the functions of the NRC and the efficiency of their implementation will be included.

In response to the request by the Steering Committee, we offer the following comments on its proposed program:

- . Those rules and regulations that rely on input from other agencies (such as EPA, NCRP, DOE, DOD, DOS, and DOT) should be identified for future reconciliation with any changes that may arise from those agencies. An obvious example is the NRC interaction with EPA and NCRP on 10 CFR Part 20.

- . The Steering Committee report should make it clear that the NRC had launched its intensive review of regulations well before the beginning of NPR II.
- . As NRC scrutinizes its regulations, it is imperative that criteria be established for the tradeoff between the requirements of the NRC public health and safety mandate and the goals of the NPR II.

The NEI presented a compilation of proposed changes to regulations that appear to contribute to the objectives of the NPR II study. While we have not reviewed the NEI proposal in detail, we believe the staff should give it appropriate consideration during the course of the NPR II study.

We wish to be informed of the results of the NPR II study.

Sincerely,

T. S. Kress
Chairman

References:

1. Letter dated March 6, 1995, from NRC Chairman Ivan Selin, to Alice M. Rivlin, Director, Office of Management and Budget, regarding Nuclear Regulatory Commission's National Performance Review Phase II options paper
2. Memorandum dated March 7, 1995, from James M. Taylor, Executive Director for Operations, NRC, to K. Cyr, OGC, et al., Subject: National Performance Review Phase 2
3. Letter dated April 3, 1995, from William H. Rasin, Nuclear Energy Institute, to Jack Roe, Director, NRC NPR II Steering Committee, Subject: National Performance Review -- Phase 2
4. SECY-95-089 dated April 10, 1995, Memorandum from James M. Taylor, Executive Director for Operations, NRC, for the Commissioners, Subject: Semiannual Status Report on the Implementation of Regulatory Review Group Recommendations
5. U.S. Nuclear Regulatory Commission Administrative Letter 95-02 dated February 23, 1995, from Eugene V. Imbro, Office of Nuclear Reactor Regulation, Subject: Cost Beneficial Licensing Actions
6. ACRS report dated July 15, 1993, from J. Ernest Wilkins, Jr., Chairman, ACRS, to Ivan Selin, Chairman, NRC, Subject: Regulatory Review Group Report

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