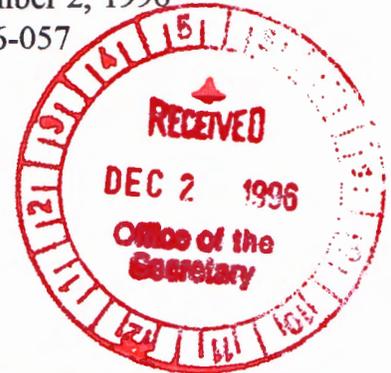


# ABB

DSI-12  
(33)

December 2, 1996  
LD-96-057



Mr. John C. Hoyle  
Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
ATTN: Chief of Docketing and Services Branch  
Washington, DC 20555-0001

Subject: Comments on the NRC Strategic Assessment and Rebaselining Initiative

Dear Mr. Hoyle:

In response to the invitation to the public and stakeholders to submit comments by December 2, 1996, please find attached Combustion Engineering, Inc.'s (ABB-CE's) comments on each of the direction setting issues identified by the NRC staff.

ABB-CE commends the Commission for undertaking this comprehensive systematic assessment of its future role. Since the NRC came into being in 1975, the industry that it regulates has substantially matured in a technical sense, and it follows that the role of the regulator must adapt to that maturation. In addition, the commercial environment for the industry is just beginning to move toward deregulation, which brings new factors into play.

The move toward risk-informed, performance-based regulation is to be encouraged. The future competitive environment for electrical generators makes it imperative to free safely operating nuclear plants of unnecessary regulatory burdens. This requires the NRC to acknowledge in deed, as well as in word, that the safety performance of the industry as a whole has been steadily improving over more than a decade. It means relooking at the philosophy of regulating the new Advanced Light Water Reactor designs such that their vastly improved safety features result in added margin from regulatory requirements rather than tightening the regulations to enforce the new safety levels. If the Commission is unable to acknowledge these safety improvements through revamped regulation and enforcement, the nuclear industry will be unable to compete in the future marketplace.

We would encourage that a very careful evaluation be made of the input which will be received and that the necessary time and attention be provided to make the

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Acknowledged by card 12/31/96 JMS

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OF THE COMMISSION

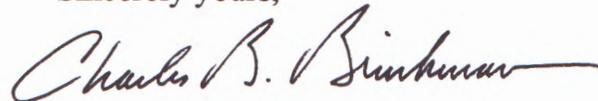
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difficult, but extremely important, decisions. We would also recommend that the Commission consider the use of stakeholder committees in helping to further develop the options available to the Commission and to develop plans for successfully carrying out the new directions chosen by the Commission.

Thank you for the opportunity to submit our input to this critical process. Please contact me at 301-881-7040 if you have any questions related to our input.

Sincerely yours,



Charles B. Brinkman  
Director, Nuclear Licensing

Attachments:

1. ABB-CE Comments on DSI-2
2. ABB-CE Comments on DSI-4
3. ABB-CE Comments on DSI-5
4. ABB-CE Comments on DSI-6
5. ABB-CE Comments on DSI-7
6. ABB-CE Comments on DSI-9
7. ABB-CE Comments on DSI-10
8. ABB-CE Comments on DSI-11
9. ABB-CE Comments on DSI-12
10. ABB-CE Comments on DSI-13
11. ABB-CE Comments on DSI-14
12. ABB-CE Comments on DSI-20
13. ABB-CE Comments on DSI-21
14. ABB-CE Comments on DSI-22
15. ABB-CE Comments on DSI-23
16. ABB-CE Comments on DSI-24

cc: S. Floyd (NEI)  
S. Magruder (NRC)

**DSI #12 Risk-Informed, Performance-Based Regulation**

**DSI - What criteria should NRC use in expanding the scope in applying a risk-informed, performance-based approach to rulemaking, licensing, inspection, and enforcement?**

**Generic Question #1 - What, if any, important considerations may have been omitted from this issue paper?**

Risk-informed, performance-based regulation is the leading prospect for reducing unnecessary regulatory burden while maintaining overall safety of operation of nuclear facilities. The paper does not reflect the urgency of this need to the nuclear industry.

ABB-CE also endorses the remarks of the Nuclear Energy Institute on this item.

**Generic Question #2 - How accurate are the NRC's assumptions and projections for internal and external factors discussed in the issue papers?**

ABB-CE endorses the remarks of the Nuclear Energy Institute on this item.

**Generic Question #3 - Do the Commission's preliminary views associated with this issue paper respond to the current environment?**

The impending electrical power deregulation and the need to further reduce unnecessary regulatory burden are not reflected in the views expressed by the Commission.

**Additional question raised by the Commission: How should NRC deal with dual regulation when applying a risk-informed, performance-based regulatory philosophy?**

Regulatory coherence is desirable, not only within the NRC, but also in areas where there is over-lapping regulatory jurisdiction. However, experience has shown that the time required to deal with other agencies, in particular the EPA, means that shifting to risk-informed, performance-based regulation would be seriously stymied in the areas of dual regulation. ABB-CE believes that the NRC must forge ahead with its own regulations and negotiate with sister agencies later from its pro-active position.

**Option preferred by ABB-CE:**

Given the importance of shifting to the risk-informed, performance-based regulation to the electric power generation facilities, ABB-CE supports a refocusing of staff resources in this area which would be best reflected in Option 3 whose stated purpose is to fundamentally change, in a comprehensive manner, the bases to the NRC's regulations and

processes for those areas that are amenable to a risk-informed, performance-based approach.