

ABB

DSI-23

(23)

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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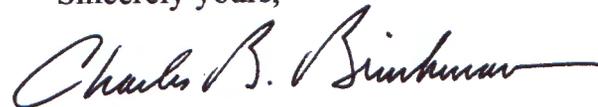
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difficult, but extremely important, decisions. We would also recommend that the Commission consider the use of stakeholder committees in helping to further develop the options available to the Commission and to develop plans for successfully carrying 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 #23 Enhancing Regulatory Excellence

DSI - How can NRC enhance regulatory excellence through maintenance of regulatory standards, rules, and requirements?

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

This DSI discussion gives a broad and accurate summary of NRC's current and past initiatives and programs for regulatory change and/or improvement. However, it does not do a good job of defining what issue the paper is trying to solve. Regulatory Excellence is defined in terms of dedication to safety, pursuit of superior staff performance and a commitment to principles of good regulation. The paper does not explain how these factors are measured or how its main stakeholders perceive that the NRC is performing or how the stakeholders would measure excellent performance. History has shown that it takes a major event (TMI and now Millstone, for example) to push NRC into a serious reexamination of its role rather than a continuous commitment to improvement.

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

Current events at Millstone will clearly force a reevaluation of the role and focus of the NRC which will go way beyond that envisioned by this position paper. We already see, in the NRC's reaction, a movement back to stricter compliance-based regulation. This type of response could potentially undo much of the progress made by the NRC in recent years.

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

A major challenge for the NRC is to develop regulatory methodologies that are less reactive and more pro-active to change within the licensees. As the Millstone situation illustrates, under its current mode of operation, the NRC was unable to recognize the existence of fundamental problems over several years. This issue is not addressed in the paper.

General Comments:

Any initiatives derived from this process should not lose sight of recent NRC initiatives to improve regulatory effectiveness. In particular, elimination of duplicate requirements or requirements that are marginal to safety and the development of a performance-based approach to regulation. Finally, ABB-CE encourages continued use of PRA to focus regulatory attention on risk-significant issues.

Option preferred by ABB-CE:

ABB-CE agrees with the comments of the Commission that the Options offered in the DSI are too narrow and should be broadened to include addressing how the NRC does its job. The process should start off with a better definition of what the issues are, what the goals are, and how they might be measured in a systematic fashion. ABB-CE recommends moving away from the periodic traumatic reassessments of the NRC's goals and missions toward a continuous systematic process improvement approach. ABB-CE also strongly recommends that NRC include representatives of its stakeholders in this process to ensure that the process satisfies the needs of both the public and the nuclear industry.