

#### UNITED STATES NUCLEAR REGULATORY COMMISSION WASHINGTON, D.C. 20555-0001

August 6, 2019

#### COMMISSION VOTING RECORD

#### DECISION ITEM:

#### SECY-18-0003

TITLE:

DISCONTINUATION OF RULEMAKING ACTIVITY AND DENIAL OF PETITION FOR RULEMAKING - REQUIREMENT TO SUBMIT COMPLETE AND ACCURATE INFORMATION (DOCKET NO. PRM-50-107; NRC-2013-0077)

The Commission acted on the subject paper as recorded in the Staff Requirements Memorandum (SRM) of August 6, 2019.

This Record contains a summary of voting on this matter together with the individual vote sheets, views and comments of the Commission.

Annette L. Vietti-Cook Secretary of the Commission

Enclosures:

1. Voting Summary

2. Commissioner Vote Sheets

cc: Chairman Svinicki Commissioner Baran Commissioner Caputo Commissioner Wright OGC EDO PDR

SECY NOTE: This Voting Record to be released to the public 5 working days after the dispatch of the letter to the petitioner.

# VOTING SUMMARY - SECY-18-0003

## RECORDED VOTES

	APPROVED	DISAPPROVED	ABSTAIN	<u>NOT</u> PARTICIPATING	<u>COMMENTS</u>	DATE
Chrm. Svinicki	х				X	07/29/19
Cmr. Baran		X			Х	02/09/18
Cmr. Caputo	. X	· · ·			Х	07/29/19
Cmr. Wright	X				X	07/29/19

то:	Annette Vietti-Cook, Secretary				
FROM:	CHAIRMAN SVINICKI				
SUBJECT:	ECY-18-0003: Discontinuation of Rulemaking ctivity and Denial of Petition for Rulemaking - equirement to Submit Complete and Accurate formation (Docket No. PRM-50-107; NRC-2013-0077)				
Approved XX	_ Disapproved Abstain Not Participating				
COMMENTS:	Below XX Attached XX None				

I approve the staff's request to discontinue this rulemaking activity, to deny the associated petition for rulemaking, and to publish the draft *Federal Register* notice, subject to the attached edits. I approve the draft letter responding to the petitioner, as edited in the attached version.

Based on an evaluation, the staff has failed to identify safety, environmental, or security concerns that are directly attributable to the absence of the specific regulatory requirements called for in the petition. Thus, the staff has concluded that rulemaking as requested in the petition would likely result in minimal practical benefit to the safety or security of NRC-regulated activities.

Under a regulatory approach where licensees or applicants are ultimately responsible for safety, the Atomic Energy Act (AEA) includes the authority for the NRC to revoke licenses for material false statements and to require written statements from applications for licenses and licenses. As the staff notes, this responsibility for safety remains with applicants and licensees even when they rely on material produced by a non-licensee. Our existing regulations in 10 CFR 50 reflect this. Moreover, the agency has previously relied on its existing authority under the AEA to hold a non-licensee accountable for a failure to submit complete and accurate information. Additionally, our existing regulations under 10 CFR Part 21 related to the reporting of defects and noncompliance apply to subjects such as safety-related analysis associated with component hardware, an example of concern referred to by the petitioner.

No

SIGNATURE

Entered on "STARS" Yes <a></a>

# NUCLEAR REGULATORY COMMISSION 10 CFR Parts 30, 40, 50, 52, 60, 61, 63, 70, 71, and 72 [Docket No. PRM-50-107; NRC-2013-0077] Requirement to Submit Complete and Accurate Information

AGENCY: Nuclear Regulatory Commission.

**ACTION:** Discontinuation of rulemaking activity; denial of petition for rulemaking.

**SUMMARY:** The U.S. Nuclear Regulatory Commission (NRC) is discontinuing a rulemaking activity, "Requirement to Submit Complete and Accurate Information," and denying a petition for rulemaking (PRM), PRM-50-107. This notice informs the public of the NRC's action and describes the rationale for the action. The NRC will no longer track this rulemaking activity or PRM.

**DATES:** Effective **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, the rulemaking activity is discontinued and PRM-50-107 is denied.

**ADDRESSES:** Please refer to Docket ID **NRC-2013-0077** when contacting the NRC about the availability of information for this action. You can obtain publicly-available information related to this action by using any of the following methods:

 Federal Rulemaking Web Site: Go to <a href="http://www.regulations.gov">http://www.regulations.gov</a> and search for Docket ID NRC-2013-0077. Address questions about NRC dockets to Carol Gallagher, telephone: 301-415-3463; e-mail: <a href="https://carol.Gallagher@nrc.gov">Carol.Gallagher@nrc.gov</a>. For technical questions, contact the individual listed in the FOR FURTHER INFORMATION CONTACT section of this document.

• The NRC's Agencywide Documents Access and Management System (ADAMS): You may obtain publicly available documents online in the NRC Library at http://www.nrc.gov/reading-rm/adams.html. To begin the search, select "ADAMS Public Documents" and then select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. The ADAMS accession number for each document referenced (if that document is available in ADAMS) is provided the first time that a document is referenced. In addition, for the convenience of the reader, the ADAMS accession numbers are provided in a table in the section of this document entitled, Availability of Documents.:

• **The NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

**FOR FURTHER INFORMATION CONTACT:** Meena Khanna, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-2150; e-mail: <u>Meena.Khanna@nrc.gov</u>. [staff should update contact information as appropriate]

#### SUPPLEMENTARY INFORMATION:

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I. Discussion

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**III.** Conclusion

#### I. Discussion

The NRC received a PRM dated April 15, 2013 (ADAMS Accession No. ML13113A443), from Mr. James Lieberman (the petitioner), a regulatory and nuclear safety consultant. The petitioner requested that the NRC revise its regulations relating to nuclear reactors at §§ 50.1, 50.9, 52.0, and 52.6 of Title 10 of the *Code of Federal Regulations* (10 CFR) to expand its "regulatory framework to make it a legal obligation for those non-licensees who seek NRC regulatory approvals be held to the same legal standards for the submittal of complete and accurate information as would a licensee or an applicant for a license."

The PRM was noticed in the *Federal Register* for public comment on June 10, 2013 (78 FR 34604). The NRC received two comments, both supporting the petition.

On September 16, 2013, the petitioner amended the PRM (ADAMS Accession No. ML13261A190) to expand its scope to include the regulatory framework for radioactive materials, waste disposal, transportation, and spent fuel storage (10 CFR parts 30, 40, 60, 61, 63, 70, 71, and 72). In the amended petition, the petitioner also requested that the "scope" section for each of the parts be revised to add language to highlight that any person seeking or obtaining NRC approval for a regulated activity would be subject to enforcement action for violation of the completeness and accuracy provision of that part. The applicable sections pertaining to this issue include §§ 30.1, 40.2, 50.1, 52.0, 60.1, 61.1, 63.1, 70.2, 71.0, and 72.2.

The amended PRM was noticed in the *Federal Register* for public comment on January 21, 2014 (79 FR 3328). The NRC received one additional comment in support of the amended petition.

The petitioner stated that non-licensees (e.g., vendors and other contractors) who seek NRC regulatory approvals "should be held to the same legal standards for the submittal of complete and accurate information as would a licensee or an applicant for license." When the Commission promulgated the "Completeness and Accuracy of Information" rule on December 31, 1987 (52 FR 49362) (the 1987 rule), neither the rule language nor the Statements of Consideration (SOCs) discussed non-licensees submitting information to the NRC for regulatory approvals. The 1987 rule included nearly identical "Completeness and Accuracy of Information" requirements in 10 CFR parts 30, 40, 50, 60, 61, 70, 71, and 72. When the Commission added 10 CFR parts 52 and 63 to its regulations, it added "Completeness and Accuracy of Information" requirements to these parts (72 FR 49521; August 28, 2007, and 66 FR 55732; November 2, 2001, respectively). The petitioner's specific concern is that NRC regulations do not require all persons who seek NRC approvals to provide the NRC with complete and accurate information in all material respects.

On March 17, 2015 (80 FR 13794), the NRC informed the public that the issues raised in the amended PRM have merit and are appropriate for consideration in the rulemaking process. In addition, the PRM docket, PRM-50-107, was closed. However, the timing for conducting a rulemaking on any issue is dependent on the immediacy of the safety, environmental, or security concerns that have been raised; the rule's priority compared to other rulemakings; and the availability of funding. Using the NRC's Common Prioritization of Rulemaking methodology (ADAMS Accession No. ML15086A074), the NRC prioritized this rulemaking activity as low

priority. The petitioner's February 3, 2017 letter (ADAMS Accession No. ML17034A409) identified that this rulemaking had been assigned a medium priority; however, the NRC has confirmed that references to this rulemaking as medium priority in certain locations were errors, due to staff oversight, and that it was prioritized as low priority using the CPR methodology.

The NRC has not identified an immediate safety, environmental, or security concern, and the petitioner did not demonstrate how a lack of requirements in this area would contribute to such a concern. In contrast to the repeated past performance problems in the areas of design, design control, fabrication and quality control with holders of, and applicants for, a Certificate of Compliance under part 72 (i.e., for non-licensed spent fuel storage cask certificate holders that were addressed in a final rule, "Expand Applicability of Part 72 to Holders of, and Applicants for, Certificates of Compliance" (64 FR 56114; October 15, 1999), the NRC identified only one other example where an entity other than an NRC licensee or applicant submitted incomplete or inaccurate information that resulted in a significant safety issue. That instance involved the submission of a reactor topical report on a fire retardant product that was based on falsified test data. While the case took several years to conclude, the NRC was able to exercise its current authority under the Atomic Energy Act (AEA) to resolve the safety issue and ultimately sanction the vendor.

The AEA stipulates that licensees or applicants are ultimately responsible for safety. The AEA includes the authority to revoke licenses for material false statements (AEA section 186) and to require written statements from applicants for licenses and licensees (AEA section 182). As described in the 1987 rule, § 50.9 codifies in a more explicit and accessible way requirements already existing under the authority of the AEA (52 FR 49372). The responsibility for safety remains with the licensee or applicant for a license that relies on

material provided by a non-licensee. Furthermore, the requirements in 10 CFR part 21, "Reporting of Defects and Noncompliance," apply to subjects such as safety-related analysis associated with component hardware, which may be addressed in the type of topical report referenced by the petitioner. The NRC, as well as licensees and applicants, have procedures in place to ensure that substantial safety hazards identified under 10 CFR part 21 are identified and corrected. Based on these considerations, the NRC finds that the subject rulemaking would likely have minimal practical benefit to the safety or security of NRC-regulated activities.

In addition, given the low priority of this rulemaking consistent with the Common Prioritization of Rulemaking, the NRC does not expect to be able to fund such a rulemaking for the foreseeable future.

#### II. Availability of Documents

The documents identified in the following table are available to interested persons through one or more of the following methods, as indicated. For information on accessing ADAMS, see the ADDRESSES section of this document.

Date	Document	ADAMS Accession Number/ <i>Federal Register</i> Citation/Link
April 15, 2013	Letter from J. Lieberman, "Completeness and Accuracy of Information," PRM-50-107 (Original Petition)	ML13113A443
June 10, 2013	Federal Register notice, "Submitting Complete and Accurate Information"	78 FR 34604 https://www.gpo.gov/fdsys/pkg/FR- 2013-06-10/pdf/2013-13684.pdf

September 16, 2013	Letter from J. Lieberman, "Completeness and Accuracy of Information," PRM-50-107 (Amended Petition)	ML13261A190
January 21, 2014	Federal Register notice, "Submitting Complete and Accurate Information"	79 FR 3328 https://www.gpo.gov/fdsys/pkg/FR- 2014-01-21/pdf/2014-01035.pdf
March 17, 2015	Federal Register notice, "Requirement to Submit Complete and Accurate Information"	80 FR 13794 https://www.gpo.gov/fdsys/pkg/FR- 2015-03-17/pdf/2015-06107.pdf
June 23, 2015	Common Prioritization of Rulemaking Methodology	ML15086A074
February 3, 2017	Letter from J. Lieberman "PRM 50-217, Rulemaking Petition To Amend the NRC Regulations for Completeness and Accuracy of Information – 10 CFR 30.9, 40.9, 50.9, 52.6, 60.10, 61.9a, 63.10, 70.9, 71.7, and 72.11"	ML17034A409

#### **III.** Conclusion

The NRC is no longer pursuing the "Requirement to Submit Complete and Accurate Information" rulemaking and is denying PRM-50-107 for the reasons discussed in this document. In the next edition of the Unified Agenda, the NRC will update the entry for this rulemaking activity with reference to this document to indicate that the rulemaking is no longer being pursued. These rulemaking activities will appear in the completed section of that edition of the Unified Agenda but will not appear in future editions. If the NRC decides to pursue a similar or related rulemaking activity in the future, it will inform the public through a new rulemaking entry in the Unified Agenda.

Dated at Rockville, Maryland, this day of , 201X.

For the Nuclear Regulatory Commission.

Annette L. Vietti-Cook, Secretary of the Commission.

# SUBJECT: REQUIREMENT TO SUBMIT COMPLETE AND ACCURATE INFORMATION DATED:

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ADAMS Accession Nos: PKG: ML16277A058, SECY: ML16277A064, FRN: ML16277A154, LTR to Petitioner: ML16277A181 \*Via e-mail

	LIK IO Pe	titioner: ML16277A181		via e-mail	
OFFICE	NRR/DPR/PRMB/PM	NRR/DPR/PRMB/RS	QTE	NRR/DPR/PRMB/BC	NRR/DPR/D
NAME	JTobin	GLappert	CHsu	MKhanna	LLund
DATE	9/27/2016	10/18/2016	11/21/2016	11/29/2016	12/16/2016
OFFICE	NRR/DE/D*	OE/D*	NRO/D*	NMSS/D*	NSIR/D*
NAME	JLubinski	Pholahan	VOrdaz	MDapas	BHolian
		(FPeduzzi for)	(MMayfield for)	(MArribas-Colon for)	
DATE	12/30/2016	1/10/2017	12/21/2016	12/22/2016	1/6/2017
OFFICE	ADM/RADB/BC*	OGC*	NRR/D	EDO	
NAME	CBladey	SClark	WDean	VMcCree	
	(LTerry for)		(MEvans for)		
DATE	1/26/2017	1/26/2017	2/17/2017		

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#### UNITED STATES NUCLEAR REGULATORY COMMISSION WASHINGTON, D.C. 20555-0001

#### KLS Edits

Mr. James Lieberman 11804 Rosalinda Drive Potomac, MD 20854

Dear Mr. Lieberman:

I am writing in response to your Petition for Rulemaking (PRM) dated April 15, 2013, as amended September 16, 2013 (Agencywide Documents Access and Management System Accession Nos. ML13113A443 and ML13261A190, respectively). The petition was docketed by the U.S. Nuclear Regulatory Commission (NRC) as PRM-50-107. In the petition you requested that the NRC amend its regulations in Parts 30, 40, 50, 52, 60, 61, 63, 70, 71, and 72 of Title 10 of the *Code of Federal Regulations* to expand NRC's regulatory framework to make it a legal obligation for those non-NRC-regulated entities who seek NRC regulatory approvals to be held to the same legal standards for the submittal of complete and accurate information as would a licensee or an applicant for a license.

The NRC published <u>an initial</u> notices of receipt in the *Federal Register* for PRM-50-107 and for an amendment to that petition, on June 10, 2013 (78 FR 34604)., <u>The NRC published an</u> <u>additional notice of receipt for an amendment to that petition and on</u> January 21, 2014 (79 FR 3328), respectively. The NRC requested public comment for both the original and amended petitions and received three comment submissions in support of the petition.

The NRC has determined that although your petition provides a basis to revise the regulations, there is no immediate safety, environmental, or security concern raised by your petition. TFor the reasons explained in the attached *Federal Register* notice, the NRC is, therefore, denying your petition. The reasons for the denial are explained in the enclosed *Federal Register* notice, which will be published shortly in the *Federal Register*. Upon publication of the enclosed notice in the *Federal Register*, the NRC will discontinue the rulemaking activity and close the docket for PRM-50-107.

You may direct any questions regarding this matter to Meena K. Khanna, by calling 301-415-2150 or by e-mailing <u>Meena.Khanna@nrc.gov</u>.

Sincerely,

Annette L. Vietti-Cook Secretary of the Commission

Enclosure: *Federal Register* notice

TO: Annette Vietti-Cook, Secretary

FROM: Commissioner Baran

SUBJECT: SECY-18-0003: Discontinuation of Rulemaking Activity and Denial of Petition for Rulemaking -Requirement to Submit Complete and Accurate Information (Docket No. PRM-50-107; NRC-2013-0077)

Approved	Disapproved	Х	Abstain	Not Participating
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COMMENTS: Below Attached X None

Entered in "STARS" Yes X No

· Ba SIGNATURE 2/9/18 DATE

#### Commissioner Baran's Comments on SECY-18-0003, "Discontinuation of Rulemaking Activity and Denial of Petition for Rulemaking – Requirement to Submit Complete and Accurate Information"

In 2013, Mr. James Lieberman submitted a petition for rulemaking (PRM) seeking to "make it a legal obligation for those non-licensees who seek NRC regulatory approvals to be held to the same legal standards for the submittal of complete and accurate information as would a licensee or an applicant for a license."

On March 17, 2015, NRC published a notice in the Federal Register announcing that "NRC has determined that the issues raised in the PRM have merit and are appropriate for consideration in the rulemaking process." In making this determination, the NRC staff noted that "currently there is no legal obligation for a vendor to provide complete and accurate information either in the application for a topical report or in response to NRC questions on the topical report." This is also true for other non-licensee applicants, such as those seeking approval of a quality assurance program or an exemption from licensing. The staff explained that, as a result. "NRC is unable to take enforcement action against the non-licensee for not providing complete and accurate information that was submitted for NRC's approval." The NRC staff emphasized that "it is fundamental for good regulation that all applicants for NRC approvals meet the same requirement to submit complete and accurate information." The staff expressed concern that "the lack of similar requirements for non-licensees could adversely affect public health and safety or the common defense and security." For example, "[i]n the case of reactor topical reports ... a single safety evaluation report may be adopted by many licensees once it has been approved by the NRC, greatly magnifying the impact of any errors beyond the nonlicensee applicant for the topical report itself."

Now, the staff no longer believes the rulemaking is needed and recommends denying the petition. The staff argues that closing this regulatory loophole would be a low priority and that such a rulemaking likely would not be funded in the foreseeable future. The staff also contends that the lack of this obvious regulatory requirement has not been a problem in practice and that there is only one known example of a non-licensee submitting inaccurate or incomplete information that resulted in a safety issue.

I do not find these arguments convincing. The staff was correct in 2015 when it publicly stated that a requirement for all applicants to submit complete and accurate information is fundamental to our regulatory process. The petitioner has identified a regulatory loophole that should be closed. We should not wait for an inaccurate submittal to cause a safety problem before extending the basic requirement to provide accurate information to all submittals for regulatory approvals. The necessary rule should be straightforward and non-controversial. It is frankly hard to imagine any stakeholder arguing that non-licensees should be allowed to submit inaccurate or incomplete information to NRC when seeking regulatory approval. In fact, NRC received only three public comments on the petition, all of which supported considering the petition in the rulemaking process.

I therefore disapprove the staff's recommendation to deny the petition. The staff should prepare a *Federal Register* notice granting the petition for rulemaking. Once granted, the Commission can determine the rule's priority for funding as part of the budget process, just as it does for all agency rulemakings. Because this would be a simple and likely non-controversial extension of an existing requirement to an additional set of submittals, the staff should evaluate whether the rulemaking could be appropriately issued as a direct final rule.

TO:	Annette Vietti-Cook, Secretary
FROM:	Commissioner Caputo
SUBJECT:	SECY-18-0003: Discontinuation of Rulemaking Activity and Denial of Petition for Rulemaking - Requirement to Submit Complete and Accurate Information (Docket No. PRM-50-107; NRC-2013-0077)
Approved XX	_ Disapproved Abstain Not Participating
COMMENTS:	Below Attached _XX None

Entered in STARS Yes No

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Signature 7-29-19 Date

#### Commissioner Caputo's Comments on SECY-18-0003, Discontinuation of Rulemaking Activity and Denial of Petition for Rulemaking – Requirement to Submit Complete and Accurate Information

I approve the Staff's recommendation in SECY-18-0003 to discontinue rulemaking activity, "Requirement to Submit Complete and Accurate Information;" to deny an associated petition for rulemaking (PRM); and to publish the proposed Federal Register notification to inform the public of these decisions. The PRM alleged a "regulatory gap" and sought to "make it a legal obligation for those non-licensees who seek NRC regulatory approval be held to the same legal standards for the submittal of complete and accurate information as would a licensee or an applicant for a license."

While initially agreeing with this assessment, the Staff determined, after further review, that the current statutory and regulatory scheme provides sufficient procedures to detect and address the concerns identified by the petitioner. The Staff also gave an example where a non-licensee third party provided a report based on falsified test data, but the Staff was "able to exercise its current authority under the Atomic Energy Act" to resolve the issue. Further, the Staff determined that there is no immediate safety, environmental, or security concern regarding this issue. I have great confidence in the Staff's ability, through its rigorous and thorough review process, to detect and remediate any incomplete or inaccurate information provided by applicants. Ultimately, Staff has the discretion to not grant a requested action if it concludes that the submitted information is not accurate or complete. Based on these factors, the Staff determined that the proposed rulemaking "would likely have minimal practical benefit to the safety or security of NRC-regulated activities."

I find the Staff's conclusion consistent with our Principles of Good Regulation. The Principle of Efficiency states, "Regulatory activities should be consistent with the degree of risk reduction they achieve. Where several effective alternatives are available, the option which minimizes the use of resources should be adopted." While engaging in rulemaking is an option, the low frequency and the existing authority to resolve such issues leads me to agree with the Staff's assessment. I therefore approve the Staff's recommendation.

TO:	Annette V	ietti	-Cook, Secreta	ry		
FROM:	Commissi	Commissioner Wright				
SUBJECT:	Activity an Requirem	nd D ent	enial of Petitio to Submit Com	ion of Rulemaking n for Rulemaking - plete and Accurate I-50-107; NRC-2013-0077	7)	
Approved X	_ Disappro	ved	Abstain	Not Participating	2	
COMMENTS:	Below	Х	Attached	None		

I approve the staff's recommendations to discontinue the rulemaking activity, "Requirement to Submit Complete and Accurate Information," to deny the associated petition for rulemaking (PRM-50-107), and to publish in the *Federal Register* a notice that the NRC is discontinuing the rulemaking activity and denying the associated petition for rulemaking.

PRM-50-107 (as amended by the petitioner) sought to expand the NRC's regulatory requirements to "make it a legal obligation for those non-licensees who seek NRC regulatory approval to be held to the same legal standards for the submittal of complete and accurate information as would a licensee or an applicant for a license." While the staff initially found the issues raised in PRM-50-107 appropriate for consideration in the rulemaking process, it categorized the rulemaking activity as low priority using the NRC's Common Prioritization of Rulemaking methodology. The staff has since concluded that there are no immediate safety, environmental, or security concerns regarding the current regulatory framework without the additional requirement proposed by the petitioner.

I agree with the staff that this rulemaking is not needed. As the staff explains, the Atomic Energy Act of 1954, as amended, provides the NRC the authority to sanction a non-licensee who submits incomplete or inaccurate information. Further, there are existing statutory and regulatory requirements that make applicants and licensees responsible for safety, including for the accuracy of information from a non-licensee incorporated into applications or licenses. Therefore, I believe the staff's recommendation is prudent and consistent with the agency's efforts to use risk insights to focus on the most significant issues.

Entere	d in	<b>STARS</b>
Yes	$\checkmark$	
No		

DiDauff	
Signature	
7/29/19	_
Date	