

February 2, 1979

MEMORANDUM FOR: Harold R. Denton, Director  
Office of Nuclear Regulatory Regulation

FROM: Howard K. Shapar  
Executive Legal Director

SUBJECT: REVISED PROCEDURE FOR OELD INVOLVEMENT IN PROCESSING  
OPERATING LICENSE AMENDMENT APPLICATIONS

This office is aware of your ongoing efforts to introduce more effective means to process the large numbers of applications for operating license amendments. In an effort to provide constructive assistance to your efforts we have developed a procedure which we believe will inject additional efficiencies into the process. The purpose of this memorandum is to inform you of this procedure.

As you are aware the Safety Evaluation Reports (SER) and the Environmental Impact Appraisals (EIA) prepared by the NRR staff in connection with its processing of applications for operating license amendments are subject to multiple levels of technical and administrative review within NRR. These documents have also traditionally been the subject of OELD review.

After careful study of the content and nature of these primarily technical documents, we have concluded that our continuing to review them is unnecessary. Accordingly, commencing February 15, 1979, we propose to discontinue the review of SERs and EIAs relating to proposed operating license amendments unless you, your deputy or the Director, Deputy or an Assistant Director of the Division of Operating Reactors specifically request such assistance.

In this connection, we also propose to discontinue our review of NRR determinations as to whether proposed amendments are subject to prenoticing or post-noticing. Such determinations are based primarily on technical information on which your staff is capable of reaching appropriate conclusions. Here too, of course, we stand ready to provide assistance if it is specifically requested by one of the NRR management officials identified above.

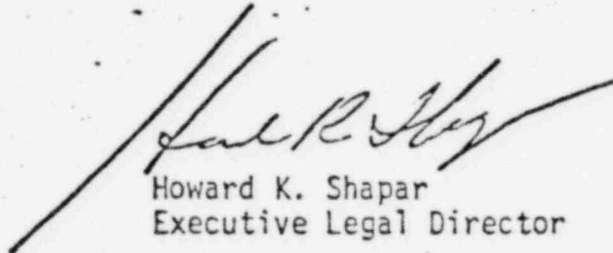
Although we propose to discontinue certain aspects of the review of documents supporting action on proposed operating license amendments, we will continue to review the language of the actual license amendments (excluding accompanying technical specifications) and the proposed Federal Register notices relating to operating license amendments. The legal nature of these documents mandate our continued involvement with them.

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In view of our proposed discontinuance of aspects of the license amendment review process, I have had prepared as an interim guide for your staff a summary of the principal findings which your staff must make in support of the issuance of an operating license amendment. These findings and the support for these findings must be identified in the SER or the EIA. An expanded guidance document is now in preparation and will be provided to you as soon as it is completed.

The proposed revised procedure discussed above is designed to assist you in more effectively processing operating license amendment applications. We continue to be available to you and your staff to respond to specific problems or concerns regarding any matter involving the processing of these applications.

If you have any questions or problems with this proposed revision in our procedures, please contact me.



Howard K. Shapar  
Executive Legal Director

Enclosure:  
Summary of Principal Findings Necessary to  
Support Operating License Amendments

*Provide  
Boilerplate*

SAFETY

1. ALL AMENDMENTS - FOR all amendments to reactor operating licenses the "applicable" findings to be made are set forth in 10 CFR 50.57(a).

Generally, the applicable findings to be made are those of 50.57(a) (2), (3) and (6). The license amendment document expresses these findings as:

- A. The application for amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's rules and regulations set forth in 10 CFR Chapter I;
- B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
- C. There is reasonable assurance (i) that the activities authorized by the amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
- D. The issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

Very seldom do amendments require the findings in 50.57(a)(1) (construction completion), (a)(4) (technical and financial qualifications), (a)(5) (Price Anderson financial protection), however, these must not be overlooked since in some instances they may be applicable.

2. AMENDMENTS INVOLVING NO SIGNIFICANT HAZARDS CONSIDERATION -

In addition to the findings described above, for those applications in which prenotice is not required, the NRC must base its action on a finding that "no significant hazards consideration" is presented by the application for amendment. (See 50.581(b)).

Although there is no definition of this term in the statute or in the regulations, the statement presently used should be continued until modified by the Commission. This statement is "We have concluded, that because the amendment does not involve a significant increase in the probability or consequences of accidents previously considered and does not involve a significant decrease in a safety margin, the amendment does not involve a significant hazards consideration."

3. THE SER - The SER is the document which expresses the basis for the required findings. The SER should specify the exact changes being authorized. It should specify each of the "applicable" ultimate findings, discussed above. It must set forth the subsidiary findings upon which each of the ultimate findings are based. In short, it must

completely, although succinctly, describe the reasoning used by the NRC staff reviewer to reach the findings which are the prerequisite for the issuance of the license amendment.

#### ENVIRONMENTAL

All license amendment applications must be evaluated for environmental impact. For those covered by 10 CFR 51.5(a)(10), - "any other action which the Commission determines is a major Commission action significantly affecting the quality of the human environment" - an environmental impact statement is to be prepared in accordance with 10 CFR Part 51. For license amendments identified in 10 CFR 51.5(b) (particularly § 51.5(2). The impact must be evaluated to determine if an impact statement is required. If it is determined that no impact statement is required an impact appraisal and a negative declaration are required. These should conform to 10 CFR 51.7.

The finding to be contained in the license amendment is: "The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied."

The EIA or the EIS similar to the SER, must completely, although succinctly, describe the reasoning used by the NRC to reach the findings prerequisite to the issuance of the license amendment.