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Report

of the

**COST BENEFICIAL  
LICENSING ACTIONS  
(CBLA)**

**TASK FORCE**

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## 1 INTRODUCTION

The Office of Nuclear Reactor Regulation (NRR) of the U. S. Nuclear Regulatory Commission (NRC) established the Cost Beneficial Licensing Actions (CBLA) Task Force as a short-term effort to evaluate how the office handles CBLAs and what changes, if any, to make to the NRR review process to ensure a more timely and efficient review of all licensing issues, including CBLAs. In addition, the CBLA Task Force was to identify ways licensees could improve their CBLA submittals. CBLAs are licensing actions that have a high cost for to the licensees but are of low safety significance and, in the NRR review priority, would have a low priority for review. The task force was directed to ensure by its recommendations that the staff give CBLAs sufficient and appropriate attention without a reduction in the NRC primary focus on plant safety.

To accomplish these goals, the task force developed a set of specific tasks aimed at studying CBLAs and how they are handled. The headings for each major section in this report describe these tasks. The task force made the following assumptions before beginning its study of CBLAs: (1) NRC must be responsive to the industry's programs to reduce unnecessary costs without jeopardizing safety; (2) no new NRR resources will be available to address CBLAs, therefore, NRR must develop means to more efficiently review licensees proposals; (3) reliefs granted the industry could allow the industry to more efficiently expend its resources thereby resulting in safer operating plants; and (4) CBLAs should not involve issues that have safety significance or that result in a high priority in the NRR review priority scheme.

This report describes the tasks the task force completed in studying CBLAs and articulates the conclusions and recommendations and the associated bases resulting from the evaluation. Appendix A gives an estimate of the requisite NRR resources that would be needed to accomplish each recommendation.

## 2 UNDERSTAND HOW NRR MANAGES LICENSING ACTION'S/CBLAS

The CBLA Task Force began its evaluation by reviewing the process by which project managers (PMs) assign priorities to and schedule licensing actions, in general, and CBLAs, in particular. The process is described in the three memoranda dated April 29, 1988, March 24, 1989, and June 6, 1993 (Refs. 1-3) on the NRR priority ranking system for reviews. Note that cost is rarely specifically mentioned as a basis for assigning priorities to licensing actions.

To determine how CBLAs in particular, have been handled, the task force performed five reviews, which are discussed in the rest of this section.

### Review All Priority 4 Items

The task force reviewed the list of licensing actions that were Priority 4 actions, as of August 27, 1993, and discussed a sample of these licensing actions with the PMs. None of these licensing actions (some of which were CBLAs), were being neglected. Table 1 (Appendix B) shows the work completed from 1988 through 1993 in terms of the priority number. NRR has been and is completing a significant amount of Priority 4 work.

### Sample Ten Specific Licensing Actions

The task force chose 10 licensing actions at random - 5 in the Containment Systems and Severe Accident Branch (SCSB)/NRR and 5 in Mechanical Engineering Branch (EMEB)/NRR. The consensus of the branches was that currently the priority assigned to the licensing action by the PM was less important than the schedule requested. EMEB/NRR did not have a backlog of work and was not rejecting low-priority work. SCSB/NRR did have a backlog, but was also not rejecting work. Both branches were working to complete the submitted licensing actions on a schedule that was acceptable to the PMs.

### Review Data for Last 5 Years

The task force reviewed the numbers of licensing actions the PMs and the technical staff completed during the last 5 years. Unfortunately, the data does not allow easy analysis of how NRR has handled CBLAs in this period since the data does not distinguish CBLAs from other licensing actions. Nonetheless, the data (Table 2, Appendix B) is instructive in that it shows that the PMs have consistently completed about 40 percent of the licensing action work assigned the NRR staff for the last 5 years.

### Survey All Project Managers

The task force conducted a survey of all PMs to obtain a count of current CBLAs and a sense of PMs' perceptions about CBLAs (Ref. 4). The survey disclosed some interesting and unexpected aspects about CBLAs. First, the variety of PMs' interpretations of what is actually a CBLA showed the need to better define a CBLA. This was also apparent when discussing CBLAs with the licensees. Second, the survey showed that CBLAs compose about 13 percent of the overall licensing action inventory (144 CBLAs out of 1164 licensing actions). Third, although the PMs complete about 40 percent of all licensing actions, this percentage includes only about 25 percent of the CBLAs.

### Review a Branch's List of Licensing Actions

The task force reviewed the list of licensing actions assigned to EMEB/NRR to acquire a sense of the number of licensing actions, the type of licensing actions, the priorities assigned to the licensing actions, and the schedules the branch agreed-to. The task force found inconsistency among priorities assigned similar issues and among schedules for different priorities. In discussions with SCSB/NRR and EMEB/NRR, the branch members stated that the negotiation with the PM was normally on the schedule for the review and not on the priority assigned the review.

In finding that the NRR staff is completing CBLAs, the task force, to the credit of the staff, found no evidence that this low-priority CBLA work was delaying the safety significant reviews. In all cases, the technical branches and PMs were aggressively reviewing the safety significant issues, while also reviewing the CBLAs. However, the task force recognized that if the number of CBLAs increased significantly, more guidance and oversight would be needed to ensure prompt handling of the CBLA reviews without delaying safety significant reviews.

In its review of specific licensing actions assigned to a number of technical branches, the task force found instances where review efforts were being expended on issues that did not absolutely require NRR action or that were

"contingency" type issues. The task force concluded that better control of these issues would improve NRR and licensee efficiencies.

### 3 UNDERSTAND SELECTED LICENSEE'S CBLA PROGRAMS

In order to understand how licensees have been and are now handling CBLAs, the task force held discussions with at least 20 licensees and other industry groups. The CBLA programs of Virginia Electric Power Company (Virginia Power), Northeast Utilities (NEU), Florida Power Corporation (FPC), and Entergy were studied in the most detail since they were the most mature. These programs are discussed in Appendix C.

Through these discussions, the task force realized that licensees' CBLA programs differ in many respects. Some programs:

- o are composed of CBLAs that give immediate versus delayed benefits.
- o embody a "top-down" versus a "bottom-up" approach to identify CBLAs.
- o are composed of CBLAs that are plant specific versus generic.
- o contain CBLAs that are mostly technically straightforward versus complex.
- o contain many versus few "commitment" change requests, some of which were not required.
- o are composed of many relatively low-value CBLAs versus fewer high value, but more complex CBLAs.
- o contain original versus copies of other licensee's CBLAs.
- o contain high quality, stand-alone submittals versus lesser quality submittals.

However, licensees' CBLA programs are similar in that they are focusing on proposals that may save resources but are not limiting the programs to proposals that are of low safety significance. The programs studied were, in some instances, not adequately communicated to the PM or Regional staff. That is, licensees were developing and about to submit requests for relief without having adequately discussed their intentions with the PM.

Most, but not all of the CBLA submittals were of good quality. A common complaint from the NRC technical staff is that low-quality submittals are the single most significant cause of delay associated with reviewing licensing actions. The review of a poor submittal invariably results in one or more requests for additional information (RAIs) and in delays associated with reviewing the additional responses.

In terms of obtaining prompt and positive NRR reviews, the data suggests that licensees can maximize their chances by submitting CBLAs that are:  
(1) preceded with adequate communication with the PM and Resident staff,  
(2) high quality, stand-alone documents, (3) plant specific, (4) not major policy or regulatory issues, (5) clearly assigned a priority among all their submittals for review, and (6) of immediate benefit.

#### 4 OBTAIN AND EVALUATE FEEDBACK FROM LICENSEES ON CBLAS

The task force collected and analyzed information from licensees regarding the manner in which the NRC has handled CBLAs. In terms of the NRC's handling of past CBLA submittals, the licensees indicated two things. First, through discussions with their PMs, licensees have been discouraged from submitting requests to reduce costs. According to the licensees, the PMs have been giving this guidance in the spirit of maximizing efficiency, minimizing the licensing backlog, and enabling their licensees to concentrate their resources on those submittals that would have the greatest chance of being successfully reviewed. Second, on those occasions when licensees have submitted CBLAs, their PMs have worked with them and the NRR technical staff and achieved successful results. This feedback is supported by the data and analyses discussed in Section 2 of this report.

With respect to the NRC's newly stated willingness to entertain CBLAs, licensees are cautiously optimistic. While many licensees have already embarked on CBLA programs, some licensees have a "wait-and-see" attitude and want to see the NRC follow up its stated intentions with actual approvals.

Some licensees believe that the NRC should be more receptive to alternative approaches to resolving technical issues. Furthermore, some licensees also perceive that the NRC occasionally gets "hung up" on relatively minor safety issues and that the time spent on resolving these issues is disproportionate to the safety significance of the issue. Along a similar vein, some licensees described a dichotomy between the NRC's senior managers' stated willingness to expeditiously review cost-based regulatory reliefs and the perceived reluctance of the NRC staff to actually review and approve these requests.

While some of these perceptions are not new (e.g. the Regulatory Impact Survey, Ref. 5), these perceptions may have special impact in the CBLA arena because licensees may not request technically defensible and appropriate relief if they believe the NRC is not receptive to reviewing these submittals. NRR managers should pay special attention to CBLAs and be sensitive to how actions of the staff may actually or inadvertently reinforce these perceptions.

#### 5 DETERMINE THE EXPECTED INCREASE IN CBLA SUBMITTALS

As described in Section 3, discussions with licensees have indicated that many are developing CBLAs. To estimate the increase in licensing submittals, the task force requested that NUMARC conduct a survey of the industry. The survey, described in Appendix D, indicated that we could experience an increase of about 400 CBLA submittals a year for the next two years. The increase should begin in the fourth quarter of calendar year 1993 or the first quarter of 1994.

Although this estimate is consistent with the number of additional submittals resulting from the Virginia Power and Philadelphia Electric Power Company (PECO) CBLA programs in 1993, note that the number of licensing actions submitted for calendar year 1993 is currently projected to be slightly smaller than that submitted for 1991 and 1992. The projected decrease in 1993 is

believed to be statistically unimportant (i.e., about 6 percent less than that in 1992 and 4 percent less than that in 1991) or this decrease may indicate that the industry is in the process of switching its licensing emphasis to developing and submitting CBLAs. This increase is discussed in detail in Appendix D.

## 6 INTERACT WITH OTHER NRC REGULATORY REVIEW GROUPS

A variety of other groups and task forces in addition to the CBLA Task Force are working to improve the regulatory process and reduce unnecessary regulatory burden on licensees. They are discussed in References 6, 7, and 8 and are as follows

- (1) Technical Specificatir (TS) Branch/NRR
- (2) Program Management, Policy Development, and Analysis Staff (PMAS)/NRR which oversees the NRR review priority ranking system,
- (3) Regulatory Review Group (RRG),
- (4) TS Amendments Screening Panel,
- (5) NRC Office of Nuclear Regulatory Research (RES) Marginal-to-Safety Program,
- (6) NRC Computer Support Development Program, and
- (7) Current Licensing Basis (CLB) task force

Recognizing the relevance of the ongoing work of these other groups and programs, the CBLA Task Force conducted three coordination meetings with representatives of these groups and programs. These meetings were to foster coordination and communication among these groups and to better understand the overall regulatory environment. Meeting summaries were issued on June 4, August 11, and October 27, 1993 (Refs. 6 to 8).

These other programs and groups are involved in issues or tasks that bear directly or indirectly on the CBLA Task Force charter and goals. For example, PMAS would so revise the NRR review priority guidance such costs would be explicitly considered in setting review priority. The RRG and CLB Task Forces have identified problems with how licensees define and modify commitments to the NRC. Their recommendations would affect which commitments must be submitted to the NRC for approval. The interactions with these other task forces has been extremely useful in coordination of each group's efforts. The overlap of these groups became apparent during these meetings, as was the need for further coordination and discussions.

## 7 DETERMINE AND EVALUATE THE NRC CBLA ENVIRONMENT

Although submittals of licensing actions submittals that have low safety significance but large cost savings to the licensees are by no means a new phenomenon, their priority has traditionally been low and they have been treated as "back-burner" items. In the past, the emphasis in doing reviews was to improve safety, and costs to the licensees were secondary. Costs were explicit in the consideration of plant backfit considerations, but not as a part of assigning priorities to licensing submittals.

There has been recent and significant change in the NRC in that there is now

an increased receptivity to review cost-savings requests. This change was articulated in speeches by senior NRC officials, including the NRC Chairman and the NRR Office Director, who stated that the NRC is more receptive to the review of these licensing actions (Ref. 9). This was also manifested in the recent change to the NRR review priority (see Ref. 3); that is, cost-savings submittals were specifically assigned Priority 3. Furthermore, by establishing the CBLA group to study how to efficiently and expeditiously review CBLAs, NRR managers have indicated the significance of the issue.

Despite the stated shift in receptivity and the guidance this articulation embodies, many of the staff may not have yet embraced the nexus between averted costs and more efficient, safer nuclear plants. The task force found a number of indications that the NRR staff has not fully understood the new direction nor how to implement it. As stated in Section 4, the industry is concerned that this change in receptivity is a change at the upper managerial level of NRC that has not filtered down to the technical and projects staffs. For example, in our discussions with the staff on CBLAs, some stated that licensees should provide a specific safety increase to offset the cost savings and the cost of implementing a regulatory requirement should not be important in assigning a priority to the review. Regarding CBLAs associated with commitment changes, we discovered cases in which the staff is uncertain how to proceed. For example, some members of staff stated that licensees should not change, on their own, commitments that were agreed upon when the NRC staff was fully focused on the specific issues involved.

The memorandum of September 17, 1993 (Ref. 10) addressed some of these indications, but further education and discussion regarding CBLAs, in particular, and regulatory relief, in general, may be needed. The overall thrust of this education should be that the NRC's "safety-first" philosophy has not changed, but requirements that do not significantly improve safety or that detract from safety should be eliminated. The concept that NRC will consider relief to the licensees while maintaining its emphasis on safety should be clearly articulated to the NRC staff by NRC management. The ability of licensees to change their regulatory commitments without formal NRC review needs to also be fully discussed with the staff.

## **B IDENTIFY METHODS TO IMPROVE NRR CBLA REVIEW EFFICIENCY**

As discussed in Section 5, the task force determined that the number of incoming licensing actions could significantly increase in the next two years. Furthermore, recognizing the feedback from licensees as well as the staff's uncertainty regarding the changing regulatory environment and new emphasis on cost-based licensing actions, the task force examined a number of ways to improve NRR's review efficiency to both minimize the increase in backlog and to maximize our responsiveness to the CBLAs while maintaining our focus on safety. The different ways are discussed below in Sections 8.1 through 8.7.

### **8.1 Maintain a Focal Point for CBLAs**

As a result of its charter to give special attention to CBLAs, the task force became a focal point for resolving problems or bottlenecks with CBLAs and other related issues. The task force aided in review efficiency by helping to promptly identify and effect solutions. The specific instances are discussed



in detail in Appendix E. Although Branch Chiefs and Project Directors and other managers can and frequently do become involved in this capacity, this task force's emphasis on CBLAs significantly contributed to prompt resolution.

The task force did not have adequate opportunity to keep the Regional staff informed of the status of the NRR CBLA efforts. A few of the CBLAs identified by licensees were actions that needed regional approval, hence the lack of adequate communication hampered, to some extent, the overall agency's response to CBLAs. Through our discussions with the other task forces related to CBLA matters, we learned that they, too, were not able to keep the Regions adequately informed on their issues.

### 8.2 Screen and Track CBLAs

Through the task force review of specific CBLAs and discussions with the technical and Projects staffs, as well as through our evaluations of the feedback from licensees and assessment of the CBLA environment within NRR, the task force realized that expeditious, consistent, and equitable treatment of CBLAs would require some type of continuing screening process. This process should be conducted by an independent screening group in parallel with the existing review process.

The task force worked with the technical and projects staffs and developed a set of candidate questions that the PMs could use in assessing CBLA submittals. These questions, described in Appendix F, would also be used by the screening group to scrutinize the CBLAs and how they are being handled. The screening group should look for submittals that do not need to be sent to the technical branches for review. Through this screening function, the staff should identify any CBLAs that were mislabeled, (i.e. licensing actions that do not meet the criteria for a CBLA), are generic, were previously done, are not appropriate for policy reasons, and should identify other areas of the CBLA review process that could be improved.

The task force worked extensively with the TS Amendments Screening Panel on their review to identify more efficient methods to review TS amendment requests, as discussed References 6 through 8. Because the panel's current role is similar to the screening function needed for CBLAs, the task force believes that their responsibilities should be expanded to include review of CBLAs. They are well experienced in screening amendments and searching for review efficiencies. They should report to the CBLA focal-point manager for this CBLA screening function.

To maintain the appropriate focus on CBLAs, they should be tracked and their status periodically reported to senior managers. A quarterly report should be prepared that lists the various plant's CBLAs, their worth, status, and any problems. To track CBLAs, a separate Planned Activity (PA) number for CBLAs, as recommended by PMAS/NRR, should be developed.

### 8.3 Avoid Unnecessary Reliance on Technical Staff Resources

The task force discovered cases in which work had been unnecessarily sent to the technical staff for review. In some cases, this work could have been done by the PMs or by a Project Engineer. For example, some line-item TS improvement submittals were sent to the technical branch for review that did

not involve any compelling technical issues requiring such a review. In other cases, issues that the licensee could have resolved were submitted to the NRC for review. For example, many commitment changes that did not require a formal NRC review were sent to technical branch. Also, the task group found several licensing actions that are "contingency" requests. That is, the situation from which the licensee is seeking relief didn't exist at the time of the submittal and was not expected to exist in the future, but may hypothetically exist in the future. PMs and PDs should strive to minimize these types of requests, which unnecessarily utilize technical staff and agency resources. Better screening and prioritization of CBLAs, as discussed in Section 8.4, will be instrumental in controlling the amount and nature of work being requested of the technical staff.

#### 8.4 Enhance Prioritization

The current system for assigning priorities places very little emphasis on specific inclusion of cost considerations for prioritizing licensing actions. The nexus between cost aversion and safety enhancements is only now being specifically recognized. To assist in assigning priorities to CBLAs, specific cost information should be sought from the licensees and factored into the CBLA's priority. Other information that would assist the PM in identifying the most appropriate and efficient means of accomplishing the review is described in Appendix F and would be used for screening as previously discussed. In the long term, the guidance for assigning priorities to licensing actions should be modified to include a cost-based scale as a factor.

In studying the success of the Virginia Power's CBLAs, we noted that the licensee clearly prioritizes the submittals with respect to all their licensing submittals and this enabled the PM clearly understand the relative importance of each CBLA. This licensee-assigned priority enabled NRR to better assign its own priorities and will become increasingly important as the number of CBLAs submittals increase.

As a check on CBLA priorities and proper treatment of these submittals, the screening group previously discussed should periodically review the list and status of all licensing actions, including CBLAs, assigned to each Branch. The emphasis of this review would be to identify bottlenecks or issues hampering expeditious review and to aid the staff in ensuring that CBLAs are being properly handled, without compromising safety significant reviews. This periodic review, which should be done under the auspices of the new CBLA focal point manager and with the respective Branch Chief, should have as a corollary goal to find items that can be taken off the list to be returned to the licensee, assigned to the PM, sent to the appropriate Owners' Group for a generic evaluation, and so forth. This review is intended to further assist in controlling the amount and nature of work requested of the technical staff.

#### 8.5 Promptly Determine Policy

While accomplishing its assigned tasks, the task force encountered instances where indecision about policy was delaying progress on issues. These instances, some of which are described in Appendix E, resulted from reviewers and lower-level managers not informing more senior managers about the specifics of a case and the need for a decision. The screening group and new

CBLA focal-point manager should be sensitive to these instances and should assist in fostering rapid policy decision making or obtaining management guidance.

#### 8.6 Review Issues Generically

To avoid unnecessary increases in the review backlog and to enhance review efficiencies, both the industry and the staff should handle issues generically, where possible. One way of accomplishing this would be to designate the PM for the plant submitting a generic CBLA as the lead PM for that CBLA and responsible for promulgating information to ease the review efforts of other PMs having the same CBLA. Also, the staff should be sensitive to situations where similar CBLAs could be grouped into one review performed on a broader basis. In such situations, NRC may consider asking the industry to perform a larger, more bounding review to encompass a wider spectrum of plants and submittals, thus enhancing NRR review efficiency.

#### 8.7 Create Review Templates

In meetings with SCSB/NRR and EMEB/NRR, the technical branches briefly discussed documents being developed that will allow PMs to review certain submittals normally reviewed by the technical branches. These documents should increase the review efficiency of the NRC staff, and other branches should search for similar circumstances, especially with respect to CBLAs.

### 9 CONCLUSIONS

From the task force's evaluation of licensee submittals of CBLAs and the NRC's review of them, the staff drew the following eight conclusions:

#### (1) CBLAs Are Not New

In its review of how NRR was handling CBLAs, the task force determined that CBLAs are not new. Licensees were proposing CBLAs before the NRC began its efforts to review regulations that are marginal to safety in order to reduce unnecessary burdens on the licensees. Furthermore, including cost savings with safety is not new because licensees' integrated schedules, which the NRC approves, have always considered both costs and safety, although averted costs never quantitatively considered.

#### (2) The NRR Review System Is Not Broken

The current NRR review process, discussed in Section 2, to manage the review of licensing actions is not broken in that NRR is reviewing CBLAs without a reduction in plant safety and that NRR does not have a significant backlog of CBLAs. The task force could not find any CBLAs that were not being worked on in some manner and Virginia Power's experience with CBLAs - discussed in Section 3 - shows that they are being reviewed. However, the task force recognized that there are currently relatively few CBLAs submitted. Nonetheless, to the credit of the NRC staff, the task force could not find evidence of safety being compromised because the staff was reviewing CBLAs.

(3) NRC Receptivity of CBLAs Is New

What is new is NRC's stated receptivity to help licensees control costs through the consideration of requests for changes to plant commitments, requirements, and TSs. In the past, NRC stated that these requests would have a low priority and be acted on only as resources were available. Generally, licensees did not submit these requests because they believed that the NRC would not act on them.

(4) Cost Savings for Licensees Should Be Considered

In reviewing CBLAs, the task force considered whether something inherent in including cost savings or cost that would jeopardize NRR's responsibility to protect the health and safety of the public. The task force could not find anything inherent in considering costs to assigning priorities to NRC's reviews that would jeopardize NRR's responsibilities to the public. Safety remains NRC's primary goal, and the safety of the plants should be improved through direct and indirect effects of the NRC allowing licensees to minimize their costs through prudent relief requests.

(5) Licensees Need Guidance

Discussions with the nuclear industry showed that most licensees are just starting a CBLA program. A survey of the industry by NUMARC indicates that about two-thirds of the licensees will have such a program. The CBLA programs of four licensees discussed in Section 3 were significantly different. The task force concludes that licensees need guidance on how they should proceed with these programs. The recommendations in Section 10.1 are intended to provide this guidance.

(6) Significant Increase in Licensing Action Submittals Expected

The task force estimates that the number of licensing actions submitted could increase about 400 a year in each of the next 2 years. The existing review system without additional staff could not handle this influx without an increase in the backlog of licensing actions. Recommendations on how to handle this increase in submittals are given in Section 10. Continued management attention is imperative to ensure the NRC is responsive to this important industry initiative.

(7) Staff Uncertainty Exists on NRR Direction

The CBLA Task Force is only one of many groups that the NRC has established to suggest ways to reduce unnecessary regulatory burden on licensees. The NRC needs to address the staff's uncertainty about the overall NRR direction resulting from the work of these groups and the manner in which all the groups and their recommendations mesh. Also, licensees and the NRC staff differ in their interpretations of what a licensee commitment is and when a commitment can be changed without NRC approval. These differences affect the NRC workload because licensees submit unnecessary licensing action which results in the use of staff resources that could be better spent elsewhere. This is discussed in Section 10.2.2.

The NRC staff is somewhat confused about whether a plant-specific proposal should be considered when there is ongoing or planned generic activity. For example, should an exemption be considered when rulemaking is in progress on the same issue. Furthermore, as discussed in Section 7, confusion exists among the staff about how costs should be included in NRC staff reviews.

#### (8) Cost Beneficial Licensing Activities

The task force examined a variety of licensing actions that were cost beneficial, but the task force did not examine generic licensing activities that could have significant cost impact on licensees yet not have a significant safety benefit. Based on an assessment of how licensing activities are generated and assigned priorities, the task force concluded that licensing activities that have a significant cost component need not receive any elevated NRC attention, as recommended for CBLAs, because licensing activities already receive sufficient attention or are handled as CBLAs.

### 10 RECOMMENDATIONS

To be responsive to an almost certain increase in CBLA submittals and to minimize an increase in the backlog of licensing actions, both the NRC and the industry need to improve their internal processes as well as the way in which they communicate with each other. The recommendations in Sections 10.1 and 10.2 are to achieve improvements in these processes. Further, these improvements may have more long-term payoffs to the NRC and the industry than easing the immediate workload problems associated with an increase in CBLA submittals.

#### 10.1 Licensee and Industry Improvements

##### 10.1.1 Adequately Communicate with NRC

If a licensee decides to embark on a program to find CBLAs, it must do so with the regulatory agenda for its plant in mind and should adequately communicate its intentions and specifics to the Project Manager and, as appropriate, the Regional staff. The licensee should communicate such items as the program's overall methodology, schedule, technique for assigning priorities, and impact on other work.

##### 10.1.2 Prioritize CBLAs and Other Requests

Each licensee should assign a numerical priority to every licensing action submitted and being developed for submittal to the NRC, including CBLAs, so that both the licensee and the NRC staff are aware of the relative importance to the licensee of all items needing staff attention.

##### 10.1.3 Concentrate on Most Significant CBLAs

Along with assigning priorities to its work, a licensee should concentrate on those licensing actions that are the most important and are the most amenable to rapid resolution by the NRC. The licensee should not be pursuing CBLAs

that are of low-cost benefit.

#### 10.1.4 Prepare High-Quality Submittals

Licensees should concentrate on developing top quality submittals since lesser quality documents require significantly more effort by the NRC staff and, ultimately, by the licensee. Delays in reviewing poor quality submittals are common.

#### 10.1.5 Avoid Contingency and Unnecessary Submittals

A licensee should only submit issues that require NRC approval. It should carefully review each issue to determine on its own if the pertinent regulation (e.g., 10 CFR 50.59 or 50.54) (Ref. 11) requires the NRC to approve the contemplated action. This determination should then be clearly articulated to the NRR PM and, if appropriate, the Regional staff. In addition, the licensees should not submit licensing actions that are "contingency" requests unless clearly necessary and discussed beforehand with the PM.

#### 10.1.6 Properly Support Submittals

Once a submittal has been made, the licensee must be prepared to support the NRC review of that submittal in a timely manner and be prepared to respond promptly to questions and RAIs that may arise. The licensee should also follow up with the NRC to ensure its requests are being promptly considered.

#### 10.1.7 Include Cost Information

If the licensee wishes to have a particular submittal considered as a CBLA, cost information, including the basis for the estimation, should be included with the submittal. Absent this information, the submittal shouldn't be identified as a CBLA. The industry should be encouraged to develop a generic methodology for licensees to estimate cost savings.

#### 10.1.8 Submit Lead Plants for Generic Approaches

Licensees should work together (e.g., through owners' groups or NUMARC) to develop generic submittals for NRC review. A generic approach could reduce the overall licensee time in developing a submittal and the NRC time spent reviewing it.

### 10.2 NRC Process Improvements

The following recommendations are primarily short-term. The new CBLA focal point manager should find ways to include the recommendations into the line organization if appropriate. As an aid in assessing the resources needed to implement these recommendations, Appendix A describes the manpower needed to implement each recommendation.

### 10.2.1 Maintain Focal Point for CBLA Effort

Although the CBLA Task Force originally was considered only a short-term effort to identify and sponsor process improvements necessary to address the industry's CBLA efforts, the value of having a specifically identified manager as the lead for the continuing CBLA effort has become evident to the task force and should be continued. The manager should continue to solve problems hampering CBLA reviews, maintain close contact with the industry to hear their concerns, and keep the Regional staff adequately informed.

### 10.2.2 Coordinate Related Task Forces' Recommendations

Throughout the CBLA review effort, the task force has stayed abreast of the activities of the other groups involved in reducing unnecessary regulatory burden to the licensees. Because the recommendations and findings from these groups are related to CBLAs, these groups need to coordinate their recommendations and any implementation plans. The task force recommends that the manager described in Section 10.2.1 be that coordinator.

### 10.2.3 Implement Review Efficiency Improvement Measures

The task force identified a number of measures that could improve the overall efficiency of CBLA reviews, which are discussed in Section 8 and are summarized in Sections 10.2.3.1 through 10.2.3.6.

#### 10.2.3.1. Screen and Track All CBLAs

All CBLAs should be screened and tracked to ensure consistent identification and treatment, as well as to look for situations requiring management attention. Screening should minimize non-required or contingency review situations. The screening function should be conducted by the existing TS Amendments Screening Panel under the direction of the new CBLA focal point manager. A periodic report to senior managers should be prepared on the status of all CBLAs. To facilitate tracking, the task force recommends that CBLAs be identified by a new PA number.

#### 10.2.3.2. Avoid Unnecessary Reliance on Technical Staff for Reviews

Better oversight and control is needed to eliminate technical staff reviews of submittals which (1) can be done by the Projects organization, (2) are unnecessary (i.e., can be done under 10 CFR 50.59), or (3) are contingency submittals.

#### 10.2.3.3 Enhanced Assignment of Priorities

Utilizing cost and other information from the licensee as well as the existing NRR guidance for assigning priorities, CBLAs should be so named and prioritized. In the long term, this guidance should be modified to include a cost-based scale for assigning priorities to all licensing actions.

#### 10.2.3.4 Promptly Decide Policy

Managers should be sensitive to situations where a policy decision is needed to facilitate resolution of a CBLA issue. The CBLA focal-point manager should be active in these situations and should work with the senior management, including the Executive Team when necessary, to obtain guidance and decisions.

#### 10.2.3.5 Handle Issues Generically

Managers and reviewers should strive to identify situations where either the NRC or the industry can handle an issue generically. For industry, this would include the designation of a lead plant for the review, and for the NRC, this would include designating the PM for the plant as the lead for the generic CBLA.

#### 10.2.3.6 Create Review Templates

To the extent possible, technical branches should identify review topics and situations for which a compilation of past evaluations would readily enable the Projects organization to complete the reviews.

#### 10.2.4 Discuss New CBLA Direction With NRR and Regional staffs

Both the NRR and regional staff need a better understanding of the new NRC direction for regulatory reduction, in general, and CBLAs in particular. Because cost has previously not been a consideration in assigning priorities, the staff will need guidance and coaching on resolving these issues. The fact that cost is only a basis for assigning a priority to the review and not a basis for approving or denying the request must be clearly articulated throughout the NRC. The September 17, 1993, memorandum (see Ref. 10) may have to be followed up with workshops, group discussions, division-level seminars, or other actions to improve the staff's understanding of the new direction.

#### 10.2.5 Understand Licensee's CBLA Program

Licensees are not using the same methodology to develop their CBLA programs, as discussed in Section 3. The PM should understand his or her licensee's CBLA program, its plan, methodology, timing, overall impact on the plant, interrelation with other licensee cost-reducing programs at other plants, and so forth. The PM should have meetings with his or her licensee and regional counterpart to ensure the highest level of communication and coordination.

#### 10.2.6 Improve Report Retrieval and Word Search Capability

ADPR/NRR is investigating the electronic transfer of letters and safety evaluation reports from NRR to the licensees. This should be supported and expanded to include the capability of retrieving any NRC safety evaluation report by key word search. The capability should then be provided to the PMs and the technical branches.



#### 10.2.7 Develop a New Definition for CBLAs

The definition of a CBLA should be changed to remove the subjective nature of the phrase "low safety significance" in the current definition. The goal is to have an easily understood and repeatable definition of CBLAs for the NRC staff and the industry. The designation "CBLA" on a licensing action could then be a basis to assign a review priority above 3 and would result in special screening and tracking. The staff and industry should work together to arrive at the new definition. On the basis of preliminary discussions with NUMARC, the task force developed the information shown in Appendix G which contains some potential CBLA attributes.

#### 10.2.8 Provide Guidance to Licensees

Discussions with the nuclear industry show that most licensees are just starting a CBLA program. The task force believes that licensees will need guidance on how they should submit CBLAs. An Administrative Letter should be prepared that gives licensees the needed guidance, part of which may be contained in this report.

#### 11 REFERENCES

1. Memorandum from Thomas E. Murley, Director, Office of Nuclear Reactor Regulation (NRR), to Thomas T. Martin, Acting Associate Director for Inspection and Technical Assessment, NRR, and Frank J. Miraglia, Associate Director for Projects, NRR, "Priority Ranking System for Review Efforts," dated April 29, 1988
2. Memorandum from Thomas E. Murley, Director, NRR, to the NRR staff, "Priority Determination for NRR Review Efforts," dated March 24, 1989
3. Memorandum from Thomas E. Murley, Director, NRR, to the NRR staff, "Priority Determination for NRR Review Efforts," dated June 6, 1993
4. Memorandum from Ledyard B. Marsh, Director, Project Directorate III-1, NRR, to NRR Project Directors, ADPR, and Branch Chiefs, ADT, "Results of the September 1993 Project Manager Survey on Cost Beneficial Licensing Actions," dated October 8, 1993.
5. SECY-91-172 "Regulatory Impact Survey Report - Final" June 7, 1991.
6. Memorandum from Jack N. Donohew, Project Manager, to Ledyard B. Marsh, CBLA Task Force Leader, "Summary of Coordination Meeting Held With Groups Working on Regulatory Process Improvement and License Burden Reduction," dated June 4, 1993.
7. Memorandum from Jack N. Donohew, Project Manager, to Ledyard B. Marsh, CBLA Task Force Leader, "Summary of 2nd Coordination Meeting Held With Groups Working on Regulatory Process Improvement and License Burden Reduction," dated August 11, 1993.

8. Memorandum from Jack N. Donohew, Project Manager, to Ledyard B. Marsh, CBLA Task Force Leader, "Summary of 3rd Coordination Meeting Held With Groups Working on Regulatory Process Improvement and License Burden Reduction," dated October 27, 1993.
9. Proceedings of the United States Nuclear Regulatory Commission (NRC) Regulatory Information Conference, May 4-5, 1993, Holiday Inn Crown Plaza, 1750 Rockville Pike, Rockville, Maryland.
10. Memorandum from Thomas E. Murley, Director, NRR, to the NRR technical staff, "Cost Beneficial Licensing Actions," dated September 17, 1993
11. U.S. Code of Federal Regulations, "Domestic Licensing of Production and Utilization Facilities," Part 50, Chapter I, Title 10, "Energy," revised as of January 1, 1993.
12. Memorandum from Richard H. Wessman, Chief, Planning, Program, and Management Support Branch, NRR to all NRR staff, "FY 1992 RITS [Regulatory Information Tracking System] Users Guide," dated November 27, 1991.
13. Policy Issue Memorandum from James M. Taylor, Executive Director for Operations, NRC, to the Commission, SECY-92-263, "Staff Plans for Elimination of Requirements Marginal to Safety," dated July 24, 1992.
14. Memorandum from Jack N. Donohew, Project Manager, to Ledyard B. Marsh, CBLA Task Force Leader, "Summary of July 28, 1993, Meeting on Appendix J Issues," dated August 20, 1993.
15. Memorandum from Jack N. Donohew, Project Manager, to Ledyard B. Marsh, CBLA Task Force Leader, "Summary of September 1, 1993, Meeting on Appendix J Exemption Issues," dated October 6, 1993.
16. Memorandum from Jack N. Donohew, Project Manager, to Ledyard B. Marsh, CBLA Task Force Leader, "Summary of the October 12, 1993, Meeting on Appendix J Exemption/Rulemaking Issues," dated November 10, 1993.
17. Memorandum from Samuel J. Chilk, Secretary, to James E. Taylor, Executive Director for Operations, "SECY-93-067 - Final Policy Statement on Technical Specifications Improvements," dated May 25, 1993.  
  
Final Policy Statement on Technical Specifications Improvements for Nuclear Power Plants, Federal Register, Volume 58, Number 139, Thursday, July 22, 1993, Pages 39132 through 39139.
18. Memorandum from Ronald V. Villafranco, Chief, Planning and Resource Analysis Section, Planning, Program, and Management Support Branch, NRR, to the Attached List of Addresses, "Inventory of Licensing Tasks for October 1993," dated November 30, 1993.

19. Memorandum from Ledyard B. Marsh, Director, Project Directorate III-I, to all Project Directors, ADPR/NRR, "Pending and Issued Line-Item Technical Specification Improvements," dated October 14, 1993.
20. Final Report of the Regulatory Review Group, Office of the Executive Director for Operations, U.S. Nuclear Regulatory Commission, dated August 20, 1993  
  
Regulatory Review Group, Federal Register, Volume 58, Number 164, Thursday, August 26, 1993, Page 45139.
21. Memorandum from Frank J. Miraglia, Associate Director for Projects, NRR, to distribution, "Project Manager Review Responsibility," dated September 4, 1987
22. Policy Issue Memorandum from James M. Taylor, Executive Director for Operations, NRC, to the Commission, SECY-93-028, "Elimination of Requirements Marginal to Safety," dated February 5, 1993.

## APPENDICES

APPENDIX A  
RESOURCE ESTIMATES

The table shown below is an estimate of the resource needs to implement the recommendations discussed in the CBLA final report. The table does not describe the impact on the staff members beyond those directly assigned to the new CBLA focal-point manager. For example, the work the PMs and PDs will have to do to understand their licensee's CBLA programs is not included in the table. Also, there is overlap between some of the recommendations which complicates estimating the work associated with each recommendation. For ease in developing the resource needs, the overlap has been qualitatively described, but has not been quantified. For example, the efforts of the focal point manager would undoubtedly go toward some of the specific items associated with improving review efficiency and they have been included but not quantified.

TABLE OF RESOURCE NEEDS

RECOMMENDATION	FTE
10.2.1 Maintain focal point for CBLA effort	1.0
10.2.2 Coordinate related task forces' recommendations	0.17
10.2.3 Implement review efficiency improvement measures	0.39
10.2.4 Discuss new CBLA direction with NRR and regional staff	0.22
10.2.5 Understand Licensee's CBLA programs	-
10.2.6 Improve report electronic retrieval capability	-
10.2.7 Develop a new definition for CBLAs	0.05
10.2.8 Provide guidance to licensees	0.30
TOTAL	2.13 = 2.2 FTE

BASIS FOR RESOURCE ESTIMATES

- 10.2.1 One manager working full time.
- 10.2.2 One meeting a month with other groups. One day preparing for and attending the meeting and two days followup. (3 days/month = 288 hrs/1650 hrs = 0.17 FTE)
- 10.2.3 Resource estimates for improving CBLA review efficiency:
  - 10.2.3.1 Focal Point for CBLAs - included in 10.2.1.
  - 10.2.3.2 Screen and Track CBLAs - the majority of this effort will be done by the already existing TS Screening Group. However, the role of CBLA focal-point manager as screening oversight will be new and can be estimated based on one meeting every 2 weeks, and 1/2 day per week for preparation (4 days/month = 384 hrs/1650 hrs = 0.23 FTE)  
  
Publish CBLA report - 1 week every 3 months to collect, analyze and publish CBLA data (160 hrs/1650 hrs = 0.10 FTE)
  - 10.2.3.3 Avoid Unnecessary Reliance on ADT - included in the screening function described in 10.2.3.2. Occasional elevation to senior management issues needing decision are included in 10.2.1.
  - 10.2.3.4 Enhanced Assignment of Priorities - included in 10.2.3.2 and 10.2.3.3.
  - 10.2.3.5 Promptly Decide Policy - included in 10.2.3.3.
  - 10.2.3.6 Handle Issues Generically - working with industry and staff to identify generic issues is mostly included in 10.2.1. However, as an additional item, meeting with each Branch once to implement this item as well as the next is included in this estimate. 1/2 day per mtg + 1/2 day followup. (1 day/mtg x 12 branches = 12 days = 0.06 FTE)
  - 10.2.3.7 Create Review Templates - included in 10.2.3.6.
- 10.2.4 Two days at each region and one day with every tech branch (except ADAR and DRIL) and PD and 6 weeks to write another guidance memorandum, including memo to PMs on CBLA implementation. (2 days x 5 regions + 1/2 day x 12 branches + 6 weeks = 0.22 FTE)
- 10.2.5 The majority of work for this item will be for individual PMs, PDs, and Regional staff. Also, included in 10.2.1.
- 10.2.6 The recommendation has no resource impact for the CBLA staff because it would be done by PMAS or IRM.
- 10.2.7 Two weeks to develop a new CBLA definition and discuss with NRC and industry personnel. (2 weeks = 0.05 FTE)
- 10.2.8 Three months to write an ADMIN letter. Assume no need for CRGR review. (3 months = 0.3 FTE)

FTE assumes 1650 hours/year = 1.0 FTE; total is rounded up to nearest 0.1 FTE.

APPENDIX B

TABLES

A list of the tables in this appendix is given below:

- Table 1 Work Completed by Review Priority and Calendar Year
- Table 2 Work Completed by Project Manager ("PM") or Technical Staff ("TS") by Calendar Year
- Table 3 Status of Virginia Electric Power Company (Virginia Power) Cost Beneficial Licensing Actions (Submitted)
- Table 4 Status of Millstone Units 1, 2, and 3 and Haddam Neck Cost Beneficial Licensing Actions
- Table 5 Status of Florida Power Corporation/Crystal River Unit 3 Cost Beneficial Licensing Actions
- Table 6 Status of Entergy's Cost Beneficial Licensing Actions
- Table 7 Virginia Power Incoming Submittals by Calendar Year Corrected to Estimate a Total for 1993
- Table 8 Submittals Under Consideration by Virginia Power Cost Beneficial Licensing Actions
- Table 9 Number of Licensees Submittals (Incoming) And The Inventory by Calendar Year
- Table 10 Philadelphia Electric Company Submittals (Incoming) by Calendar Year Corrected to Estimate a Total for 1993

A table giving the meanings for the acronyms in the above ten tables is on the next page.

TABLE OF ACRONYMS

ACRONYM		ACRONYM	
ASME	AMERICAN SOCIETY OF MECHANICAL ENGINEERS	IPEEE	INDIVIDUAL PLANT EXTERNAL EVENTS EXAMINATION
CMT	CONTAINMENT	NAPS	NORTH ANNA POWER STATION
CFR	CODE OF FEDERAL REGULATIONS GENERIC LETTER	RCS	REACTOR COOLANT SYSTEM
EDSFI	ENGINEERING DESIGN SAFETY FUNCTION INSPECTION	RG	REGULATORY GUIDE
EP	EMERGENCY PREPAREDNESS	SBO	STATION BLACKOUT
FSAR	FINAL SAFETY ANALYSIS REPORT	SG	STEAM GENERATOR
FY	FISCAL YEAR	SPS	SURRY POWER STATION
GER	GENERAL EMPLOYEE RETRAINING	SQUG	SEISMIC QUALIFICATION UTILITY GROUP
GL	GENERIC LETTER	SWOPI	SERVICE WATER OPERATIONAL PERFORMANCE INSPECTION
IFE	INDIVIDUAL PLANT EXAMINATION	TBD	TO BE DETERMINED



TABLE 1 - WORK COMPLETED BY REVIEW PRIORITY AND CALENDAR YEAR

CALENDAR YEAR	LICENSING ACTIVITY BY PRIORITY LEVEL				
	"01"	"02"	"03"	"04"	Total
1988	84	150	304	89	607
1989	150	430	398	84	1262
1990	231	967	795	91	2084
1991	156	595	440	43	1234
1992	162	417	457	25	1061
1993*	168	317	151	11	647

CALENDAR YEAR	LICENSING ACTIONS BY PRIORITY LEVEL				
	"01"	"02"	"03"	"04"	Total
1988	39	63	126	45	273
1989	113	220	445	130	908
1990	227	484	634	118	1453
1991	173	586	624	108	1491
1992	178	693	656	39	1546
1993*	78	343	490	24	935

CALENDAR YEAR	LICENSING ACTIONS + ACTIVITIES BY PRIORITY LEVEL				
	"01"	"02"	"03"	"04"	Total
1988	123	218	450	114	885
1989	263	650	1043	214	2170
1990	458	1451	1419	209	3537
1991	329	1181	1064	131	2725
1992	340	1110	1093	54	2607
1993*	346	660	641	35	1582

TABLE 1 - WORK COMPLETED BY REVIEW PRIORITY AND CALENDAR YEAR  
(continued)

CALENDAR YEAR	TOTAL WORK		TOTAL WORK		DIFFERENCE
	all priority	level	all activity	codes	
1988 <sup>a</sup>	885		1647		762 <sup>b</sup>
1989 <sup>a</sup>	2176		2915		745 <sup>b</sup>
1990 <sup>a</sup>	3337		3367		30
1991 <sup>a</sup>	2725		2882		157
1992	2607		2807		200
1993 <sup>c</sup>	1582		1658		76

Footnotes:

- <sup>a</sup> = The data for 1993 is only through July 30, 1993.
- <sup>b</sup> = The definitions for licensing actions (L<sup>a</sup>) and licensing activities (R<sup>a</sup>) were changed in 1991, so the differences between L<sup>a</sup> and R<sup>a</sup> up to and through 1991 is not important.
- <sup>c</sup> = There was also "old" work that was completed in 1988 through 1989, but that did not have proper activity codes. The differences from 1990 on are considered unimportant.

TABLE 2 - WORK COMPLETED BY PROJECT MANAGERS ("PM") OR TECHNICAL STAFF ("TS")<sup>a</sup> BY CALENDAR YEAR

CALENDAR YEAR	LICENSING ACTIONS		LICENSING ACTIVITIES	
	"PM"	"TS"	"PM"	"TS"
1988	140	132	195	381
1989	428	403	404	763
1990	727	716	778	1278
1991	851	846	887	840
1992	842	801	824	741
1993 <sup>b</sup>	414	521	187	452

CALENDAR YEAR	TOTAL WORK		TOTAL WORK	
	"PM"	"TS"	LICENSING ACTIONS	LICENSING ACTIVITIES
1988	333	513	272	576
1989	832	1106	831	1167
1990	1505	1988	1437	2056
1991	1038	1686	1497	1227
1992	966	1642	1543	1065
1993 <sup>b</sup>	601	973	935	539

Footnotes

- <sup>a</sup> = The definitions for licensing actions (L\*) and licensing activities (R\*) were changed in 1991, so the differences between L\* and R\* up to and through 1991 is not important.
- <sup>b</sup> = The data for 1993 is only through July 30, 1993.
- <sup>c</sup> = There are other review method codes besides "PM" and "TS" that comprise the work done by NRR, but these two codes comprise the greater bulk of the work. The "TS" code includes "TSE" also.

TABLE 3A - STATUS OF VIRGINIA ELECTRIC POWER COMPANY (Virginia Power)  
COST BENEFICIAL LICENSING ACTIONS (COMMITMENTS)

NUMBER	COMMITMENT	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	SPS Control Room Design Review Reassessment	07/28/92	\$11.4 million	Approved 04/21/93.
2.	SPS Regulatory Guide 1.97/ P250 duct isolation (R* item)	10/26/92	\$ 2.0 million	Approved 05/19/93.
3.	AFW Pump Inspection Deletion	12/09/92	\$190 thousand per year	Approved 06/08/93.
4.	SPS IRS Pump Inspection Deletion	Submitted	\$104 thousand per year	Approved.
5.	Cancel SPS EDSFI	06/11/93	\$300 thousand	Approved by Region II.
6.	GL 89-10 Butterfly Valves - grouping of valves	02/15/93	\$475 thousand	Denied 05/24/93.
7.	Computer Based Pipe Stress Analysis	04/08/93	\$ 12 thousand per year	Approved.
8.	NAPS RG 1.97/ steam generator pressure recorder (R* item)	10/26/92	\$ 89 thousand	Approved 05/19/93.
9.*	SPS - Change in SBO Commitment from 2 to 1 Non Safety Diesel Generators	05/10/93	\$ 4 million	Approved 06/25/93.
10.	NAPS - GL 89-10 Motor Operated Valve Testing Schedule Extension	06/29/93	TBD	Approved 06/19/93.
11.	SPS - Relief Request for Pressurizer Weld Inspection	06/11/93	\$670 thousand	

TABLE 3B - STATUS OF VIRGINIA ELECTRIC POWER COMPANY (Virginia Power)  
COST BENEFICIAL LICENSING ACTIONS (T.S. CHANGES)

NUMBER	TECHNICAL SPECIFICATION CHANGE	SUBMITTAL DATE	COST SAVINGS	STATUS
1.*	NAPS High Head Safety Injection Pump Flow Balancing	03/10/93	TBD	Approved 08/03/93.
2.	SPS Reactor Coolant System (RCS) Loop Stop Valve Interlock	Submitted	TBD	Approved.
3.*	NAPS Automatic Isolation of Residual Heat Removal System from the RCS	04/27/93	TBD	Branch safety evaluation due 06/30/93.
4.	NAPS Reduced Number of Inspected Steam Generators	07/02/93	\$140 thousand	Branch safety evaluation due 01/04/93.
5.	SPS Sensitized Stainless Steel Piping Inspections	07/02/93	\$129 thousand per year	
6.	NAPS Revised Containment Type A Test Schedule (R* item)	07/03/93	\$750 thousand	Approved 09/07/93.
7.	NAPS - Procedure Review Frequency	07/06/93	\$140 thousand per year	
8.	Decrease Effluent Release Report Frequency	07/16/93	\$ 7 thousand per year	Branch safety evaluation due 11/15/93.
9.	Recreate and Revise Quality Assurance Audit Frequency	07/20/93	\$450 thousand per year	Branch safety evaluation due 11/15/93.
10.	SPS Low Pressure Turbine Blade Inspections	09/23/93	TBD	Reduce number of inspections

TABLE 3C - STATUS OF VIRGINIA ELECTRIC POWER COMPANY (Virginia Power)  
COST BENEFICIAL LICENSING ACTIONS (EXEMPTIONS)

NUMBER	EXEMPTIONS	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Decrease Frequency of Emergency Preparedness (EP) Annual Drill	09/30/92	\$200 thousand per year	Rejected. Rule change being pursued.
2.	NAPS - Cancel 1993 EP Annual Drill	06/18/93	\$178 thousand	Approved 08/10/93.
3.	SPS - 10 CFR Part 50, Appendix J Containment Integrated Load Rate Test	03/01/93	TBD	Contingency exemption.

TABLE 3D - STATUS OF VIRGINIA ELECTRIC POWER COMPANY (Virginia Power)  
COST BENEFICIAL LICENSING ACTIONS (RULEMAKING)

NUMBER	RULEMAKING	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Emergency Preparedness Annual Drill	12/09/92	\$216 thousand per year	60-day comment period is over.
2.	Definition of Safety-related	TBD	TBD	Referred to NUMARC in 08/17/93 letter.
3.	Less Than N+1 NRC Resident Inspectors at a Good Plant Site	TBD	\$240 thousand per year	Referred to NUMARC in 09/07/93 letter.

Footnotes:

NOTE: ALL IDENTIFIED ISSUES ARE FOR BOTH "NAPS" AND "SPS", NORTH ANNA AND SURREY POWER STATIONS, UNLESS OTHERWISE INDICATED

\* These are not considered to be CBLAs by the licensee.

TABLE 4A - STATUS OF MILESTONE UNITS 1, 2, AND 3 AND HADDAM NECK  
COST BENEFICIAL LICENSING ACTIONS (COMMITMENTS)

NUMBER	COMMITMENT	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Combustible Gas Control (Millstone Unit 1)	11/30/93	Millions	Approved 08/20/93.
2.	Hardened Vent Design and Implementation Schedule (Millstone Unit 1)	07/09/93	\$1 to 2 million	Licensor investigating alternative vent design which will delay the installation of the hardened vent.
3.	Installation of Redundant Hydrogen Monitor (Millstone Unit 1)	06/10/93 02/22/93	\$2 to 3 million	Licensor submitted justification for single-channel monitor. Containment is inserted during power operation.
4.	Seismic Issues (Millstone Unit 1 and Haddam Neck)	07/ /93	\$8 to 10 million	Licensor submitted an alternative approach to resolve the remaining Bulletin 79-14 issues.

TABLE 4B - STATUS OF MILESTONE UNITS 1, 2, AND 3 AND HADDAM NECK  
COST BENEFICIAL LICENSING ACTIONS (T.S. CHANGES)

NUMBER	TECHNICAL SPECIFICATION CHANGES	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Steam Generator (SG) Tube Repair Criteria (Haddam Neck)	07/31/92 01/29/93 04/01/93	Millions	NRR is not reviewing plant-specific SG tube plugging criteria at this time.
2.	Use Fuel Assembly Poison Rods in the Spent Fuel Pool (Millstone Unit 2)	05/15/93	\$4 to 10 million	This is needed for full core offload in the spent fuel pool after 1994.

TABLE 4C - STATUS OF MILESTONE UNITS 1, 2, AND 3 AND HADDAM NECK  
COST BENEFICIAL LICENSING ACTIONS (EXEMPTIONS)

NUMBER	EXEMPTIONS	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Thermo-log Exemption (Haddam Neck)	12/23/92 01/08/93	\$1 million	allow continued use of Thermo-log as a fire barrier. Denied July 1993.
2.	Schedule Exemption from Appendix B and C Test Requirements (Haddam Neck)	01/18/93 03/22/93	Millions	One-time exemption, approved 04/05/93.

TABLE 5A - STATUS OF FLORIDA POWER CORPORATION/CRYSTAL RIVER UNIT 3  
COST BENEFICIAL LICENSING ACTIONS (COMMITMENTS)

NUMBER	COMMITMENTS	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Security	Submitted	TBD	Licensee delaying commitment on improvements in vital area access.
2.	Seismic-related issues	Submitted	\$400 thousand	OL 87-02 response, meeting held on 05/26/93, another submittal needed.
3.	Cable Separation	Submitted	\$4 million	Licensee proposing upgraded FSAR criteria.
4.	Procurement	Submitted	TBD	Licensee response to inspection being reviewed by Region II. Licensee objecting to commercial grade dedication criteria.

TABLE 5B - STATUS OF FLORIDA POWER CORPORATION/CRYSTAL RIVER UNIT 3  
COST BENEFICIAL LICENSING ACTIONS (T.S. CHANGES)

NUMBER	TECHNICAL SPECIFICATION CHANGES	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Technical Specification Administrative Controls	Submitted	\$200 thousand	
2.	Low Temperature Overpressure Protection	Submitted	TBD	
3.	Power Operated Relief Valve Requirements	Submitted	\$3 million	

TABLE 5C - STATUS OF FLORIDA POWER CORPORATION/CRYSTAL RIVER UNIT 3  
COST BENEFICIAL LICENSING ACTIONS (OTHER)

NUMBER	OTHER ACTION	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	EDSFI Team Inspection	submitted	TBD	Scope of inspection to be reduced. Region II is reviewing.
2.	SWOPM Team Inspection	Not Submitted	TBD	If unit is selected for the inspection, licensee will request a delay to FY 1995.
3.	Severe Accidents/IPEEE	Not Submitted	TBD	Licensee will docket individual plant examination (IPE) and address IPEEE matters. Licensee will not follow OL 88-20.
4.	Reactor Vessel Integrity	Not Submitted	TBD	OL 92-01.
5.	Steam Generator Tube Plugging Criteria	Not Submitted	TBD	NRR is not reviewing plant-specific SG tube plugging criteria at this time.
6.	Thermo-Lag	Not Submitted	TBD	Unit uses significant amount of Thermo-Lag material.

TABLE 6 - STATUS OF ENTERGY'S COST BENEFICIAL LICENSING ACTIONS

NUMBER	ACTION	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	10 CFR Part 50 Appendix J	06/15/93	\$30.7 million	Under review.
2.	Roving Security Patrols	09/07/93	\$20.5 million	Under review.
3.	Drywell Leakage Testing	09/17/93	\$16 million	Similar request approved for Sunbeam.
4.	10-year ASME Code Endorsement	09/17/93	\$13.5 million	
5.	Feedwater Nozzle Examinations	10 CFR 50.59	\$11.5 million	Implemented by license.
6.	Source Term Timing	TBD	\$ > 10 million	
7.	Jet Pump Hold Down Beam Inspections		\$ 4.6 million	Withdrawn.
8.	Effluent Radmonitors	06/11/93	\$918 thousand	Project manager reviewing.
9.	Fitness for Duty Testing Requirements	06/30/93	\$ 2.7 million	On hold until the imminent rule change is acted on by the Commission.
10.	Main Steam Isolation Valve Leakage collection System	06/25/93	\$ 2.5 million	Licensee's proposal impacts generic review of owners' group proposal.
11.	Reactor Coolant Pump Casing Weld Inspections	TBD	\$ 1.1 million	Relief from the ASME Code is required.
12.	Environmental Qualification of Mechanical Equipment	TBD	\$700 thousand	
13.	Secondary CMT Outage Requirements	TBD	\$530 thousand	
14.	Hydrogen Recombiners	TBD	\$120 thousand	/ or the Wairford plant only.
15.	Remove the Loose Parts Monitor System from the Technical Specifications	06/11/93	\$300 thousand	Project manager reviewing.
16.	Remove Technical Specification Section 6, Administrative Controls	TBD	\$700 thousand	Relocate requirements to administrative procedures.



TABLE 7 - VIRGINIA POWER INCOMING SUBMITTALS BY CALENDAR YEAR  
CORRECTED TO ESTIMATE A TOTAL FOR 1993

CALENDAR YEAR	LICENSING ACTIONS	LICENSING ACTIVITIES	TOTAL
1988	36	35	71
1989	55	60	115
1990	97	96	193
1991	59	18	77
1992	66	37	103
1993*	94	34	128

CALENDAR YEAR	LICENSING ACTIONS BY PLANT				TOTAL
	SURRY UNIT 1	SURRY UNIT 2	NORTH ANNA UNIT 1	NORTH ANNA UNIT 2	
1988	8	7	11	10	36
1989	14	15	15	15	55
1990	34	21	25	27	97
1991	17	18	13	11	59
1992	20	20	15	11	66
1993*	26	29	19	20	94

CALENDAR YEAR	LICENSING ACTIVITIES BY PLANT				TOTAL
	SURRY UNIT 1	SURRY UNIT 2	NORTH ANNA UNIT 1	NORTH ANNA UNIT 2	
1988	10	10	9	6	35
1989	16	16	13	15	60
1990	9	8	10	9	36
1991	5	6	5	2	18
1992	10	10	9	8	37
1993*	9	8	9	8	34

Footnote:  
\* - An estimate was made for the rest of 1993 from license data.

TABLE 8A- SUBMITTALS UNDER CONSIDERATION BY VIRGINIA POWER  
COST BENEFICIAL LICENSING ACTIONS (COMMITMENTS)

NUMBER	COMMITMENTS	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	NAPS Breaker Bolt Inspection Frequency	05/05/93	\$ 4. thousand per year	Revised submittal due.
2.	SQUG Criteria for Regulatory Guide 1.97, Seismic Equipment Qualification (Focus Item)	10/ /93	\$80. thousand	
3.	Post Accident Sampling System (Focus Item)	10/ /93	\$80. thousand plus \$120 thousand per year	
4.	Review of Fire Watch Requirements (Focus Item)	10/ /93	\$380. thousand per year	
5.	SPS Decrease Appendix B Fire Pump Test Frequency (Focus Item)	11/ /93	TBD	
6.	Decrease GER Frequency (Focus Item)	12/ /93	TBD	
7.	Reduce Emergency Preparedness Plant Staff Augmentations (Focus Item)	01/ /94	\$750 thousand per year	
8.	Quality Assurance Topical Report, Graded Approach (Focus Item)	03/ /94	TBD	
9.	GL 89-10 Motor Operated Valve Grouping (Focus Item)	TBD	TBD	Needed for North Anna refueling outage.

TABLE 8B- SUBMITTALS UNDER CONSIDERATION BY VIRGINIA POWER  
COST BENEFICIAL LICENSING ACTIONS (T.S. CHANGES)

NUMBER	TECHNICAL SPECIFICATION CHANGES	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Appendix B/Appendix A Fire Protection Commitments (Focus Item)	12/ /93	TBD	
2.	Independent Sampling of Safety Evaluations (Focus Item)	10/ /93	\$190 thousand per year	
3.	Decrease Auxiliary Feedwater Pump Test Frequency (Focus Item)	10/ /93	\$11. thousand per year	
4.	Decrease Reactor Protection System/ Engineering Safety Feature Testing Frequency (Focus Item)	01/ /94	\$116. thousand per year	
5.	Live-Item Technical Specification Improvement Program (Focus Item)	TBD	TBD	

TABLE 8C- SUBMITTALS UNDER CONSIDERATION BY VIRGINIA POWER  
COST BENEFICIAL LICENSING ACTIONS (EXEMPTIONS)

NUMBER	EXEMPTIONS	SUBMITTAL DATE	COSTS SAVINGS	STATUS
	None			

TABLE 8B- SUBMITTALS UNDER CONSIDERATION BY VIRGINIA POWER  
COST BENEFICIAL LICENSING ACTIONS (RULEMAKING)

NUMBER	RULEMAKING	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	10 CFR 90.54, Decrease Audit Frequency and NRC Change Process for Emergency Preparedness, Fitness for Duty, and Security	09/ 83	\$60 thousand	

TABLE 8C - SUBMITTALS UNDER CONSIDERATION BY VIRGINIA POWER  
COST BENEFICIAL LICENSING ACTIONS (OTHER)

NUMBER	OTHER ACTIONS	SUBMITTAL DATE	COST SAVINGS	STATUS
1.	Security Program	TBD	\$170 thousand	To be referred to NIMARC.

TABLE 9 - NUMBER OF LICENSEES' SUBMITTALS (INCOMING) AND THE INVENTORY BY CALENDAR YEAR

CALENDAR YEAR	INCOMING LICENSEE SUBMITTALS		
	LICENSING ACTIONS	LICENSING ACTIVITIES	TOTAL
1988	739	1421	2160
1989	1222	1614	2836
1990	1404	1265	2669
1991	1479	795	2274
1992	1522	1050	2572
1993*	841	768	1609

CALENDAR YEAR	COMPLETED LICENSEE SUBMITTALS		
	LICENSING ACTIONS	LICENSING ACTIVITIES	TOTAL
1988	278	607	885
1989	918	1262	2170
1990	1413	2084	3537
1991	1491	1234	2725
1992	1546	1061	2607
1993*	935	647	1582

CALENDAR YEAR	NET CHANGE TO THE INVENTORY		
	LICENSING ACTIONS	LICENSING ACTIVITIES	TOTAL
1988	+ 461	+ 814	+ 1275
1989	+ 314	+ 352	+ 666
1990	- 49	- 819	- 868
1991	- 12	- 439	- 451
1992	- 24	- 11	- 35
1993*	- 94	+ 121	- 27

CALENDAR YEAR	INVENTORY		
	LICENSING ACTIONS	LICENSING ACTIVITIES	TOTAL
1988	1029	2006	3035
1989	1343	2558	3701
1990	1294	1539	2833
1991	1282	1100	2382
1992	1258	1069	2327
1993*	1164	1210	2374

\* = Data for 1993 is to July 30, 1993.

TABLE 10 - PHILADELPHIA ELECTRIC COMPANY SUBMITTALS (INCOMING)  
BY CALENDAR YEAR CORRECTED TO ESTIMATE A TOTAL FOR 1993

CALENDAR YEAR*	LICENSING ACTIONS SUBMITTALS				TOTAL
	LDMERCKE UNIT 1	LDMERCKE UNIT 2	PEACH BOTTOM UNIT 1	PEACH BOTTOM UNIT 2	
1988-1	3	3	1	0	6
1988-2	5	7	2	1	15
total	8	9	3	1	21
1989-1	3	4	3	2	12
1989-2	6	7	5	4	22
total	9	11	8	6	34
1990-1	5	5	12	8	30
1990-2	6	5	5	3	19
total	11	10	17	11	49
1991-1	5	5	6	5	21
1991-2	5	7	5	4	21
total	10	12	11	9	42
1992-1	5	5	9	7	26
1992-2	5	5	8	8	26
total	10	10	17	15	52
1993-1	10	10	9	7	36
1993-2 <sup>†</sup>	6	6	16	16	44
total <sup>†</sup>	16	16	25	23	80

Footnotes

<sup>†</sup> = An estimate was made for the rest of 1993 from the licensee's data on proposed licensing action submittals.

\* = 1988-1, first half of calendar year 1988; 1988-2, second half of 1988.

## APPENDIX C

### LICENSEES' COST BENEFICIAL LICENSING ACTIONS PROGRAMS

The task force focused on the CBLA programs of Virginia Power, NEU, FPC, and Entergy because these licensees were perceived to have well-developed programs to identify CBLAs. These four programs are discussed below. The tables referred to in the following sections are also in Appendix B.

#### C.1 VIRGINIA ELECTRIC POWER COMPANY

Through its CBLA program, Virginia Power has identified cost savings of more than \$50 million. The issues listed in Table 3 are those that have been submitted; those listed in Table 8 are being considered for future submittals. The licensee's estimated cost savings for each issue are given in the tables.

In the summer of 1992, Virginia Power began a vigorous CBLA program by conducting extensive interviews with its staffs at the stations and corporate offices. The emphasis was on non-safety-significant changes to the plants. Virginia Power obtained a large number of suggestions, which it further evaluated. Each item was investigated in terms of its relationship to the plant's licensing bases and/or regulatory origin. Items were further evaluated for their cost benefit and safety significance and were prioritized.

Initially, Virginia Power used a rough prioritization method based on the item's perceived importance but later developed a more detailed method to quantify the individual items prioritization. Virginia Power used a multi-tiered system that measured the individual item's safety significance, reduction in occupational exposure, plant availability impact, ease of regulatory review, cost-savings potential, and so forth. These measurements were combined, using a weighting factor system, and a net priority measurement was derived. The net score was then used to schedule and perform reviews and develop submittals for NRC review.

Characteristics of the Virginia Power CBLA program are that the CBLA submitted to the NRC were usually straightforward and not controversial, plant-specific, and result in immediate, as opposed to, delayed benefits to the licensee. On the basis of the number of requests submitted by Virginia Power and approved by the NRC, as shown in Table 3, the Virginia Power CBLA program should be considered a success.

An important feature of the program that aided in its success is the degree that Virginia Power has communicated with the NRC. Virginia Power and the FMs frequently discuss the entire set of licensing actions submitted to the NRC and being developed for submittal. Virginia Power has a "top ten" list of actions that is updated monthly and enumerates, in priority order, the licensing actions important to the licensee, including CBLAs.

Another feature of the program is that the early submittals were dominated by requests to relax commitments. Of the licensing actions submitted thus far and shown in Table 3, over half are commitment changes. In discussions with Virginia Power, the CBLA Task Force and the projects staff emphasized the importance of the licensee determining which actions can be performed without NRC staff approval, thus reducing the number of submittals to NRC to only

those needing NRC approval. For example, in its original presentations to the NRC on its CBLA program, Virginia Power discussed the requirement to keep sufficient personnel on shift to staff all positions in its emergency plan within 30 minutes of declaration of an emergency. This requirement resulted in Virginia Power having extra people not utilized for any other useful purpose on back shifts. Virginia Power intended to submit a program change request for NRC review; however, on the basis of subsequent staff discussions, Virginia Power now believes that most of the burden coming from this requirement can be ameliorated by a different interpretation of its plan. As a result of its own review, Virginia Power now believes it can use personnel already on shift and need not rely on others originally thought to be needed. Thus, a more careful evaluation of the existing requirements and procedures has enabled the licensee to solve the problem on its own, without developing and submitting a package for NRC review.

### C.2 NORTHEAST UTILITIES (NEU)

NEU has identified cost savings of about \$25 million. However, unlike Virginia Power who developed and implemented a plan to find and then evaluate all those requirements that were marginal to safety and costly, NEU only identified items that were already under various stages of NRC staff review and were also costly. These items, listed in Table 4, were both technically and procedurally more complex than the Virginia Power items. Further, they generally involved more difficult policy questions and are therefore not being resolved as expeditiously as the Virginia Power items. Many of these items are also generic.

In discussions with the licensee, NEU stated that its methods for prioritizing their plant modifications were based on an integrated safety assessment program that was developed with the NRC from the Systematic Evaluation Program and Individual Risk Evaluation Plan of the NRC. The methodology includes the determination of the change in the core melt frequency for each proposed change, along with a ranking based on public safety, personnel safety, economic performance, and personnel productivity. It is being used for prioritizing plant modifications at Millstone Units 1 and 3, and Haddam Neck. This method is not being used by the licensee to prioritize its licensing actions, including the CBLAs.

NEU plans on embarking on a program to develop CBLAs and will work with the industry and the NRC on these items. It is NEU's intent to develop a prioritization scheme that would place in rational order the cost savings of the different licensing actions it develops.

### C.3 FLORIDA POWER CORPORATION (FPC)

FPC only identified cost savings of about \$7 million. Like NEU, FPC only identified items that were already under various stages of NRC staff review. These items include the Crystal River Unit 3 Improved Technical Specifications, the generic Nuclear Management and Resources Council (NUMARC) positions on security, seismic-related issues, and procurement, and various other cost-savings measures. These items with the status of the current review and the projected cost savings in some cases are listed in Table 5.

The issues identified by FPC are both technically and procedurally more

complex than the Virginia Power items. Further, they generally involve more difficult policy questions and are, therefore, not being resolved as expeditiously as the Virginia Power items.

#### C.4 ENTERGY

The Entergy CBLA program is significant and well-developed and was studied as an example of a licensee's CBLA program. Through its CBLA program, Entergy has identified cost savings of more than \$110 million, the largest identified cost savings of any CBLA program reviewed. The submitted and expected CBLAs and the identified cost savings for each CBLA are given in Table 6. Entergy's program includes fewer commitment changes than Virginia Power's program.

Whereas Virginia Power has emphasized small, non controversial, plant-specific issues, Entergy has focused on generic issues involving some difficult policy issues. Since Entergy has made only a few submittals since August 1993, the NRC staff has just started scheduling the reviews of the submittals and no reviews have been completed, although one issue identified by Entergy has been previously approved for Susquehanna.



APPENDIX D

ESTIMATED INCREASE IN LICENSING ACTION SUBMITTALS FROM LICENSEES

Considering the interest of the licensees in reducing costs at their plants, the task force attempted to estimate what increase, if any, in the current rate of licensing action submittals could be expected for cost beneficial licensing actions (CBLAs). The discussion on the expected increase in licensing action submittals to the NRC is broken down into the following sections: the current inventory of CBLAs, the estimated increase in submittals, and the current inventory of licensing actions. The tables referred to in this appendix are all in Appendix B.

As a result of the discussions with NUMARC, industry, and its own review of data on submittals from two licensees, the task force determined that there likely will be an increase in CBLA submittals of about five per unit, per year for the next 2 calendar years. This number is in addition to the normal number of submittals from the licensees and is based on the following data.

The task force had discussions with the Nuclear Management and Resources Council (NUMARC) to estimate the additional staff work load that could be expected regarding CBLAs and to determine if NUMARC would assist the licensees in developing and coordinating CBLA methodology. NUMARC surveyed licensees on CBLAs with the following results. Approximately two-thirds of the industry responded to the survey. Licensees replied that 90 percent of the units expected to submit an additional 5.4 CBLA submittals per unit, per year, for the next two years and the licensees of 10 % of the units expected no increase in the rate of submittals for CBLAs. One utility, with one unit, stated that it did not expect to pursue CBLAs due to other priorities. The increase in the annual rate of requests is expected to begin in the fourth quarter of 1993 or the first quarter of 1994.

Assuming the licensees who did not respond to the NUMARC survey will in fact submit the 5.4 additional submittals per plant, the estimate from NUMARC is an increase of approximately 400 submittals a year from the industry over for the next 2 calendar years.

As a check on the estimate from NUMARC, the task force reviewed the number of licensing actions submitted by Virginia Electric Power Company and Philadelphia Electric Company since 1988 in Tables 7 and 10, and the total number of licensing actions submitted since 1988 in Table 9. The tables are in Appendix B.

(1) Virginia Electric Power Company (Virginia Power)

The data for licensing submittals from Virginia Power includes 1992 when Virginia Power began its CBLA program. The data for the year 1993 was corrected by including the number of submittals that Virginia Power stated that it expected to make in 1993. Virginia Power has four units: Surry Units 1 and 2 and North Anna Units 1 and 2.

Table 7 gives the number of incoming submittals from Virginia Power for four units for 1992 and 1993, licensing actions and licensing activities submittals. The data for 1993 was adjusted by including the number of additional submittals Virginia Power expects to submit for the four units during the remainder of 1993. Table 3 lists CBLAs that have been submitted by Virginia Power since 1992. Table 8 lists the future CBLA submittals which Virginia Power expects to make in 1993 and 1994.

Comparing the number of licensing actions submitted by Virginia Power for 1991 through 1993 in Table 7, 59 submittals for 1991 are before the CBLA program, 66 are during 1992 near the beginning of the CBLA program, and 94 are for 1993 after the CBLA program was established and functioning. The task force has no explanation for the anomaly of 97 licensing action submittals in 1990, compared to the submittals in 1989 and 1991.

The data on Virginia Power indicate that the number of additional submittals per unit should rise slowly during the first 6 months of the CBLA program and reach an increase of about 7 submittals per year. This increase is consistent with the estimate from NUMARC.

(2) Philadelphia Electric Company (PECO)

The data in Table 10 for PECO includes 1993 when the company started its CBLA program. The table gives the number of incoming licensing action submittals from PECO for four units from 1988 to 1993: Limerick 1/2 and Peach Bottom 2/3. The data for 1993 were corrected to include the number of additional submittals PECO might submit for the four units during the rest of 1993.

Comparing the number of licensing actions submitted by PECO for 1990 through 1993, there is a fairly steady number of between 42 and 52 submittals per year. In 1993, the year of the licensee's CBLA program, there is 36 submittals in the first half of the year and an estimated 44 for the second half of the year, for a total of 80. This is approximately an increase of 28 more submittals for 1993 compared to 1992, or about 7 more submittals per plant. This is an increase of about 50 percent. Comparing the last half of 1992 to the first half of 1993, the increase for the licensee was from 26 to 36, or about 40 percent.

The data on PECO indicates that the number of additional submittals per unit could rise quickly during the first six months of the CBLA program and reach an increase of about 7 submittals per year. This increase is consistent with the data for Virginia Power and the estimate from NUMARC.

(3) Licensing Action Submittals

There is also data on the total number of licensing actions submitted to NRC from 1988 to 1993 in Table 9. The data for 1993 is from January 1, 1993 to July 30, 1993, or 7 months of the calendar year. If you increase the numbers for 1993 by assuming the rate for the first 7 months will continue for the remaining 5 months, the data for 1991 to 1993 is the following:

1.	1991	1479 submittals
2.	1992	1522
3.	1993	1442

This is a slight drop in licensing action submittals from 1991-1992 to 1993 of about 0.5 submittals per plant or only 4 percent. This would seem to indicate that although there is an increase from some licensees (i.e., Virginia Power and PECO) there is not an increase in licensing actions coming from the industry at this time.

The estimate of 400 additional submittals per year is consistent with the number of additional submittals resulting from the Virginia Power and PECO CBLA programs in 1993, but is not consistent with the decrease in the overall number of licensing action submittals from the industry in 1993. This estimated decrease in the submittal of licensing actions in 1993 is based on looking at the number submitted in the calendar year 1993, from January 1, 1993 to November 15, 1993. The numbers for Fiscal Year (FY) 1993 in Reference 18, however, show an increase through the year because it does not include the drop in submittals occurring in the fourth quarter of 1993.

Although the number of licensing actions submitted for 1993 is currently projected to be smaller than that submitted for 1991 and 1992, the projected decrease in 1993 is believed to be statistically unimportant (i.e., about 6 percent less than 1992 and 4 percent less than 1991) and only an indication that the industry has not yet switched its licensing emphasis to submitting CBLAs.

## APPENDIX E

### FOCAL POINT FOR CBLA REVIEW PROBLEMS

The task force arranged several meetings on submittals from Entergy with the technical branches reviewing the submittals. These submittals included the Appendix J (of 10 CFR Part 50) exemption requests to reduce the current frequency of the Type A tests and to allow performance-based Type B and C tests, the removal of the loose parts monitoring system from the Grand Gulf Technical Specifications, and the main steam isolation valve leakage control system for Grand Gulf.

#### E.1 APPENDIX J EXEMPTIONS

The Containment Systems and Severe Accident Branch (SCSB)/NRR informed the task force that the NRR staff was being directed to stop work on the 1991 proposed final Appendix J rule although several licensee had proposed exemptions to Appendix J to remove the same requirements that would have been removed if the Commission had approved the 1991 proposed final rule. Also, Entergy had stated that it intended to submit exemptions for Grand Gulf on the following issues, which were to be included in the 1993 marginal-to-safety rulemaking on Appendix J by the Office of Nuclear Regulatory Research (RES): extend the frequency of Type A tests to once in 10 years and allow performance based Type B and C tests. The question was what should NRR do with the exemptions submitted in light of the rulemaking that ended with the final rule not approved and of the future rulemaking. This involves the issue of rulemaking by exemption.

The task force held two meetings with the Office of the General Counsel (OGC), RES, and SCSB/NRR to facilitate the resolution of the Appendix J rulemaking and exemptions issues. Meeting summaries were issued on August 20 and October 6, 1993 (Refs. 14 and 15). One meeting was held between RES and SCSB/NRR on October 12, 1993. The meeting summary was issued on November 10, 1993 (Ref. 16).

The purpose of the meetings was to discuss rulemaking by exemptions, the 1991 proposed final rule that the Commission did not approve because the industry appeared to not want the reliefs in the rule while some licensees had submitted limited exemptions for the same reliefs, and Entergy's exemptions that involve some of the issues in the current 1993 marginal-to-safety rulemaking.

The consensus of the meetings was that rulemaking by exemptions should be avoided and "contingency" exemptions (i.e., exemptions requested now because they may be needed later) should not be approved. However, licensees that need exemptions now should have their requests acted on in a timely manner. It was decided that RES and SCSB/NRR would submit a joint SECY paper to the Commission by December 1993 to identify the issues and options for Appendix J changes and to recommend a course of action.

## E.2 LOOSE PARTS MONITORING SYSTEM

The requirements for the loose parts monitoring system were removed from the new Standard Technical Specifications in accordance with the final policy statement (Ref. 17) approved by the Commission on the criteria that identifies what should be in plant technical specifications. These requirements are to be relocated to licensee documents. Based on the policy statement, Entergy proposed to remove the system from the Grand Gulf Technical Specifications.

The technical branch that has the responsibility to review the loose parts monitoring system submittal disagreed with the Technical Specifications Branch (OTSB)/NRR as to the safety consequences and appropriateness of removing this system from the new Standard Technical Specifications. The differences between the technical branch and OTSB/NRR on removing the system from the new Standard Technical Specifications had never been addressed. The task force held a meeting with the branches to discuss the issues. The decision was that the Grand Gulf PM would write the safety evaluation and the technical branch would concur in the letter issuing the evaluation to the licensee.

## E.3 MAIN STEAM ISOLATION VALVE LEAKAGE CONTROL SYSTEM

Entergy submitted a proposal for a leakage control system for Grand Gulf. The Plant Systems Branch (SPLB)/NRR, interacting with the owners' group through lead plants, is reviewing this system generically for boiling water reactor plants. Entergy stated that its proposal for Grand Gulf would save \$2.5 million.

The task force held a meeting with the SPLB/NRR to discuss Entergy's proposal. Because the proposal is for a system significantly different from that being proposed by the owners' group, a significant amount of work has gone into the generic review, and the generic review is expected to be completed soon, the branch decided that reviewing Entergy's proposal would disrupt the generic review, take resources from that review, and, therefore, delay the completion of the review. The branch, therefore, decided to delay its review of Entergy's proposal until after the generic review was completed, which the branch chief estimated would be in the spring of 1994.

## E.4 PRIORITIZATION

In its review of the 10 randomly chosen licensing actions discussed in Section 2 of the main report, the task force used Virginia Power's detailed method to prioritize its CBLAs on these 10 licensing actions to determine if such a method would help NRR prioritize its work and it should be proposed to other licensees. The task force could not find any benefit in considering the additional factors that Virginia Power uses in NRR's prioritization method, as discussed in Section 3 of the main report. The three major categories of vital, important, and routine appear in fact to be the Priorities 1, 2, and 3 of the NRR review priority system. Also, the existence of CBLAs is not justification for requiring or requesting licensees to use a single priority system for prioritizing these licensing actions.

#### E.5 NEW STANDARD TECHNICAL SPECIFICATIONS

The task force found that PMs, technical staff, and licensees do not realize that the new Standard Technical Specifications (STS) is not an NRC-approved document. Therefore, licensees that submit line-item changes to incorporate parts of the new STS into their plant technical specifications must provide plant specific analyses to justify the addition of each line item technical specification. Some licensee, however, appear to be confused about the process by which line-items from the new STS are approved by NRC and believe that these changes can be approved on the sole basis that the line item change comes from the new STS.

APPENDIX F

POSSIBLE QUESTIONS FOR PROJECT MANAGERS

1. What is the NRR review priority?
2. What is the licensee priority?
3. What is the cost savings information?
4. What is the change in safety?
5. Is this a cost beneficial licensing action?
6. Is this a contingency action?
7. Is this review necessary?
8. Can this review be done by the licensee under 10 CFR 50.59?
9. Can the project manager perform the review?
10. Is this a generic review?
11. Has this review been performed before by NRC?
12. Does this improve ALARA, reliability, safety?
13. Is this a new approach on the issue?
14. Is a policy issue involved?
15. Is the issue technically complex?
16. Should the review be delayed because of policy reasons, for example, rulemaking exists on the requested exemption?
17. Is this below a minimum threshold of review?
18. What is the licensee need date?
19. What is the basis for the need date?
20. Is this submittal late?
21. Has the review started, including the number of hours already expended and the estimated hours required to complete the review?
22. What is the licensee's current SALP assessment?

APPENDIX G

NEW DEFINITION FOR CBLAS

The task force believes that a new definition for CBLAs should be developed with the industry. The following set of CBLA attributes were preliminarily developed with the help of NUMARC and should be further discussed and considered:

- A licensing action (activity code L\*) initiated by a licensee
- The requested action has negligible impact on safety (i.e., NRR review priority for the action is not 1 or 2)
- The requested action results in significant cost savings to the licensee (i.e., more than \$ 100 thousand)
- The requested action may be generic or plant-specific
- The requested action can be granted by the NRC staff (i.e., does not involve rulemaking or policy level decisions by the Commission)
- The requested action is non-routine
- The requested action involves a change to an activity at the plant
- The requested action is prioritized by the licensee with respect to all its licensing actions
- The requested action has a high quality, stand alone submittal

The goal is to have an easily understood and repeatable definition of CBLAs for the NRC staff and the industry. The designation "CBLA" on a licensing action could then be a basis to receive a Priority 3 (minimum) and have special screening and tracking.

Once the new definition is decided, the licensing actions already submitted to the NRC and named by the licensee as CBLAs should be "grandfathered". An implementation date for the new definition should be discussed and agreed to with NUMARC, as well as promulgated to the industry.

Based on the above considerations, the following licensing actions/activities are not CBLAs:

- o initial negotiation between the NRC and a licensee in response to a generic letter or a bulletin,
- o a routine reload,
- o the response to a request from the NRC for the licensee to address an issue and
- o an emergency or exigent TS change that is non-routine but which affects continued plant operation,

Requests to review plant reloads, ASME Code reliefs, and continued plant operation are examples of actions that are Priority Levels 1 or 2, and therefore are already receiving sufficient agency priority.