

# REQUEST FOR OMB REVIEW

(Under the Paperwork Reduction Act and Executive Order 12291)

**Important** — Read instructions (SF-83A) before completing this form. Submit the required number of copies of SF-83, together with the material for which review is requested to:

Office of Information and Regulatory Affairs  
Office of Management and Budget  
Washington, D.C. 20503

1. Department/Agency and Bureau/Office originating request <b>U.S. Nuclear Regulatory Commission</b>	3. Name(s) and telephone number(s) of person(s) who can best answer questions regarding request <b>D. Skovholt (301) 492-4446</b>
2. 6-digit Agency/Bureau number (first part of 11-digit Treasury Account No.) <b>3 1 5 0</b>	4. 3-digit functional code (last part of 11-digit Treasury Account No.) <b>2 7 6</b>
5. Title of Information Collection or Rulemaking <b>Reporting and Recordkeeping Requirements for Making Changes to Supplemental Specifications, 10 CFR 50.36(f) amendment.</b>	C. Is this a rulemaking submission under Section 3504(in) of P.L. 96-511? (Check one) <input checked="" type="checkbox"/> No (Section 3507 submission) <input type="checkbox"/> Yes, NPRM. Expected date of publication: _____ <input type="checkbox"/> Yes, final rule. Expected date of publication: _____ Effective date: _____
6. A. Is any information collection (reporting or recordkeeping) involved? (Check one) <input checked="" type="checkbox"/> Yes and proposal is attached for review <input type="checkbox"/> Yes but proposal is not attached — skip to question D. <input type="checkbox"/> No — skip to question D. B. Are the respondents primarily educational agencies or institutions or is the purpose related to Federal education programs? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D. At what phase of rulemaking is this submission made? (Check one) <input type="checkbox"/> Not applicable <input checked="" type="checkbox"/> Major rule, at NPRM stage <input type="checkbox"/> Major Final rule for which no NPRM was published <input type="checkbox"/> Major Final rule, after publication of NPRM <input type="checkbox"/> Nonmajor rule, at NPRM stage <input type="checkbox"/> Nonmajor rule, at Final stage

## COMPLETE SHADED PORTION IF INFORMATION COLLECTION PROPOSAL IS ATTACHED

7. Current (or former) OMB Number <b>3150-0011</b>	8. Requested Expiration Date <b>4/30/85</b>	12. Agency report form number(s) <b>N/A</b>
Expiration Date <b>4/30/82</b>		13. Are respondents only Federal agencies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9. Is proposed information collection listed in the information collection budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	10. Will this proposed information collection cause the agency to exceed its information collection budget allowance? (If yes, attach amendment request from agency head.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	14. Type of request (Check one) <input type="checkbox"/> preliminary plan <input type="checkbox"/> new (not previously approved or expired more than 6 months ago) <input checked="" type="checkbox"/> revision <input type="checkbox"/> extension (adjustment to burden only) <input type="checkbox"/> extension (no change) <input type="checkbox"/> reinstatement (expired within 6 months)
11. Number of report forms submitted for approval <b>N/A</b>		

15. Approximate size of universe of sample <b>N/A</b>	16. Classification of Change in Burden (explain in supporting statement):  <table border="1"> <thead> <tr> <th></th> <th>No. of Responses</th> <th>No. of Reporting Hours</th> <th>Cost to the Public</th> </tr> </thead> <tbody> <tr> <td>a. In inventory</td> <td>8,421</td> <td>5,833,340</td> <td>\$</td> </tr> <tr> <td>b. As proposed</td> <td>8,423</td> <td>5,833,004</td> <td>\$</td> </tr> <tr> <td>c. Difference (b-a)</td> <td>2</td> <td>-336</td> <td>\$</td> </tr> <tr> <td colspan="4">Explanation of difference (indicate as many as apply):</td> </tr> <tr> <td colspan="4">Adjustments</td> </tr> <tr> <td>d. Correction-error</td> <td>±</td> <td>±</td> <td>± \$</td> </tr> <tr> <td>e. Correction-reestimate</td> <td>±</td> <td>±</td> <td>± \$</td> </tr> <tr> <td>f. Change in use</td> <td>±</td> <td>±</td> <td>± \$</td> </tr> <tr> <td colspan="4">Program changes</td> </tr> <tr> <td>g. Increase</td> <td>+</td> <td>2</td> <td>+</td> <td>\$</td> </tr> <tr> <td>h. Decrease</td> <td>-</td> <td>336</td> <td>-</td> <td>\$</td> </tr> </tbody> </table>		No. of Responses	No. of Reporting Hours	Cost to the Public	a. In inventory	8,421	5,833,340	\$	b. As proposed	8,423	5,833,004	\$	c. Difference (b-a)	2	-336	\$	Explanation of difference (indicate as many as apply):				Adjustments				d. Correction-error	±	±	± \$	e. Correction-reestimate	±	±	± \$	f. Change in use	±	±	± \$	Program changes				g. Increase	+	2	+	\$	h. Decrease	-	336	-	\$
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b. Size of sample <b>N/A</b>																																																			
c. Estimated number of respondents or record keepers per year <b>22</b>																																																			
d. Reports annually by each respondent (item 25) <b>2</b>																																																			
e. Total annual responses (item 15d x 15c) <b>44</b>																																																			
f. Estimated average number of hours per response <b>21</b>																																																			
g. Estimated total hours of annual burden in Fiscal Year (item 15e x 15f) <b>924</b>																																																			

1.7 Abstract—Needs and Uses (50 words or less)

NRC is proposing to amend 10 CFR 50.36(f) to establish new reporting/recordkeeping requirements for licensees to make changes to supplements to their technical specifications in their licenses without prior Commission approval.

18. Related report form(s) (give OMB number(s), IRCN(s), internal agency report form number(s) or symbol(s))

N/A

20. Catalog of Federal Domestic Assistance Program Number

N/A

21. Small business or organization ☐ Yes ☒ No

19. Type of affected public (Check as many as apply)

- 1 ☐ individuals or households  
2 ☐ state or local governments  
3 ☐ farms  
4 ☒ businesses or other institutions (except farms)

22. Type of activity of affected public—indicate 3-digit Standard Industrial Classification (SIC) code(s) (up to 10) — if over 10, check ☐ Multiple or ☐ All

4 8 3

23. Brief description of affected public (e.g., "retail grocery stores," "State education agencies," "households in 50 largest SMSAs")

Nuclear power utilities

24. Purpose (Check as many as apply. If more than one, indicate predominant by an asterisk)

- 1 ☐ application for benefits  
2 ☐ program evaluation  
3 ☐ general purpose statistics  
4 ☒ regulatory or compliance  
5 ☐ program planning or management  
6 ☐ research

25. Collection method (Check as many as apply)

- 1 ☒ mail self-administered  
2 ☐ other self-administered  
3 ☐ telephone interview  
4 ☐ personal interview  
5 ☒ recordkeeping requirement  
Required retention period: 5 years  
6 ☐ other—describe

26. Frequency of Use

- ☐ Nonrecurring  
Recurring (check as many as apply)  
2 ☒ on occasion 6 ☐ semiannually  
3 ☐ weekly 7 ☐ annually  
4 ☐ monthly 8 ☐ biennially  
5 ☐ quarterly 9 ☐ other—describe

27. Collection agent (Check one)

- 1 ☒ requesting Department/Agency  
2 ☐ other Federal Department/Agency  
3 ☐ private contractor  
4 ☐ recordkeeping requirement  
5 ☐ other—describe

28. Authority for agency for information collection or rulemaking—indicate statute, regulation, judicial decree, etc.

Energy Reorganization Act of 1974  
Atomic Energy Act of 1954

29. Do you promise confidentiality?

(If yes, explain basis for pledge in supporting statement.) ☐ Yes ☒ No

29. Respondent's obligation to reply (Check as many as apply)

- 1 ☐ voluntary  
2 ☐ required to obtain or retain benefit  
3 ☒ mandatory—cite statute, not CFR (attach copy of statutory authority)

31. Will the proposed information collection create a new or become part of an existing Privacy Act system or records? (If yes, attach Federal Register notice or proposed draft of notice.) ☐ Yes ☒ No

32. Cost to Federal Government of information collection or rulemaking \$ 28,120

COMPLETE ITEMS 33 THRU 35 ONLY IF RULEMAKING SUBMISSION

33. Compliance costs to the public

\$

34. Is there a regulatory impact analysis attached?

☐ Yes ☐ No

35. Is there a statutory or judicial deadline affecting issuance?

☐ Yes. Enter date ☐ No

**CERTIFICATION BY AUTHORIZED OFFICIALS SUBMITTING REQUEST**—We certify that the information collection or rulemaking submitted for review is necessary for the proper performance of the agency's functions; that the proposal represents the minimum public burden and Federal cost consistent with need; and is consistent with applicable OMB and agency policy directives. Signature and title of

APPROVING OFFICIAL FOR AGENCY

DATE

SUBMITTING OFFICIAL

DATE

Patricia G. Norry

R. Stephen Scott

SUPPORTING STATEMENT  
FOR PROPOSED CHANGE  
TO

10 CFR 50.36(f)

"REPORTING AND RECORDKEEPING REQUIREMENTS FOR MAKING CHANGES  
TO SUPPLEMENTAL SPECIFICATIONS "

A. 1. JUSTIFICATION

- (i) The NRC is proposing to change its regulations pertaining to technical specifications for nuclear power reactors. In the proposed revision to §50.36, the title is revised, paragraphs (a) and (b) are revised, the introductory text of paragraph (c) is revised, paragraph (d) is revised and redesignated paragraph (g), and new paragraphs (d), (e), and (f) are added. The proposed revision to §50.36 would not alter the quantity of material the licensee would be required to submit as proposed specifications in its application for an operating license. If §50.36 is revised as proposed, the material currently required to be submitted by the existing §50.36(c) would be divided into two portions (Technical specifications and Supplemental specifications). Technical specifications would be required to be submitted in accordance with proposed §50.36(d) while supplemental specifications would be required to be submitted in accordance with proposed §50.36(e). The provisions for changing technical specifications would be the same as the current provisions of §50.36. Therefore, there would be no change in the reporting/recordkeeping burden requirements associated with these portions of the proposed revision to §50.36.

Proposed §50.36(f) establishes new reporting/recordkeeping requirements for licensees since it would permit licensees to make changes to supplemental specifications without prior Commission approval, unless the change involves: (i) a conflict with the technical specifications incorporated in the license; or (ii) a decrease in the effectiveness of the provisions of the supplemental specification, provided certain criteria are met. These criteria include a requirement that the licensee maintain records of changes in the supplemental specifications made under this section. These records must include a written safety evaluation which provides the basis for the determination that the change does not involve a decrease in the effectiveness of the provisions. Within three days of approval of a change to a supplemental specification, the licensee would be required to submit a report containing a brief description of the supplemental specification change and a copy of the supporting safety evaluation, to the appropriate NRC Regional Administrator (with a copy to the Director of the Office of Nuclear Reactor Regulation). Records of changes made to the supplemental specifications must be maintained by the licensee for a period of at least five years. The reporting/recordkeeping requirements of proposed §50.36(f) would be in lieu of the current requirements to submit a license amendment request to change any of the material currently contained within technical specifications. Since the information required to support a license

amendment request would be approximately the same as that required to justify a change in the supplemental specifications, there would be no significant change in the reporting/recordkeeping burden for the licensees to implement this portion of the proposed revision to §50.36.

The proposed change would also add a new section (§50.54(x)) which provides that upon written notification by the appropriate NRC Regional Administrator, a supplemental specification change for which inadequate justification was provided, must be revoked immediately and that such a change must not be implemented, or must be revoked if already implemented, and may not be reinstated without prior Commission approval.

(ii) The NRC staff estimates that a final rule implementing the proposed revisions to §50.36 would be effective on July 1, 1983. Therefore, this proposed rule would affect 21 nuclear power plants during the approved OMB clearance period for the information collection.

The reports containing a description of the change and the safety evaluation will be reviewed by the NRC staff to assure that changes to the supplemental specifications do not involve a conflict with the technical specifications incorporated in the license or a decrease in the effectiveness of the provisions of the supplemental specifications.

An application for a license amendment is required for changes to supplemental specifications that involve a conflict with the technical specifications incorporated in the license or a decrease in the effectiveness of the provisions of the supplemental specifications. The requirement for the license amendment application is needed to enable the NRC staff to evaluate the proposed changes and determine if the safety of the facility and consequently the health and safety of the public may be affected.

(iii) There is no source for the required information other than licensees.

(iv) Not applicable.

(v) Not applicable.

## 2. Description of the Information Collection

(i) The NRC staff has estimated that each of the 21 nuclear power reactors for which the revised regulation would be applicable would utilize the proposed method for changing its supplemental specifications approximately two times per year rather than being required to submit an application for a license amendment to accomplish the same change if the supplemental specifications remained part of the technical specifications under the current requirements of §50.36.

(ii)-(viii) Not applicable.

### 3. Time Schedule for Information Collection and Publication

The NRC staff will review licensee submitted reports of changes to supplemental specifications immediately upon receipt to verify that the change does not involve: (i) a conflict with the technical specifications incorporated in the license; or (ii) a decrease in the effectiveness of the provisions of the supplemental specification.

### 4. Consultation Outside the Agency

(i-ii) An Advance Notice of Proposed Rulemaking was published in the Federal Register on July 8, 1980 (45 FR 45816) requesting comments on the desirability of changing the Commission's regulations on technical specifications. Thirty-four responses were received. The comments were strongly in favor of a rule change to incorporate the proposed concepts. The proposed changes to §50.36 were published in the Federal Register on March 30, 1982 (47 FR 13369) giving notice that the Commission is contemplating adoption of the proposed changes and offering a 60-day comment period. Any comments received in response to this notice will also be considered prior to issuing a final rule.

(iii) Not applicable.

(iv) Not applicable.

### 5. Estimate of Information Collection Burden

(i-ii) The NRC staff has estimated that each of the 21 affected licensees would utilize the proposed method for changing its supplemental specifications approximately two times per year for a total of 42 changes. Each proposed change is estimated to require an average burden of 20 manhours. The inputs to this estimated burden are 12 manhours by a Licensing Engineer for preparation of the supplemental specifications change and associated safety evaluation, 4 manhours of clerical assistance and 4 manhours of review by the licensee's onsite safety review organization. However, the existing burden on licensees to prepare and submit similar information as part of a license amendment request to the NRC for review and approval is an average of 30 hours for each amendment. Since the proposed revision to §50.36 would permit the licensee to implement changes without prior NRC approval (i.e., without an amendment submittal), the average burden per change would be reduced by an estimated 10 hours for a total reduction of 420 manhours.

This projected reduction of 420 hours is offset somewhat by the estimate that one change out of 20 may be determined inadequately justified and therefore its implementation would be revoked by the appropriate NRC Regional Administrator. It is estimated that a reporting/recordkeeping burden of approximately 42 manhours (20-32 manhours by a Licensing Engineer, 6 manhours of clerical assistance and 10 manhours of review by the licensee's onsite safety review organization) will be required to resubmit a revoked change, for a total estimated additional burden of 84 hours. Thus, the net annual burden reduction will be an estimated 336 hours.

6. Sensitive Questions. Not applicable.

7. Estimate of Cost to Federal Government. Each change to supplemental specifications (two per year per affected licensee) is estimated to require approximately 2 manhours of review time by NRC staff personnel to verify the acceptability of the change. However, this review time will be more than offset and an actual saving of NRC staff time will occur, since without the proposed rule change, these same items would have been submitted to the NRC as a proposed technical specification change which would have required NRC staff review and approval as a license amendment. For the types of changes that will be processed pursuant to proposed §50.36(f), an estimated expenditure of approximately ±27 manhours would have been required to process the same change as a license amendment. Therefore, the proposed rule change will save approximately ±25 man-hours of NRC staff time per change to the supplemental specifications.

An additional, nonrecurring cost to the Federal Government is the cost associated with the preparation and issuance of the proposed rule and the final rule. The NRC staff estimate that preparation and issuance of the proposed rule has required an expenditure of approximately 6 person months (1040 person hours @ \$40/person hours = \$41,600) by NRC staff personnel. We have further estimated that an additional 4 person months (693 person hours @ \$40/person hour = \$27,720) of staff effort will be require to prepare and issue the final rule.

This cost would be offset by the savings estimated above (25 hours x 42 changes x \$40 per hours = \$42,000); therefore, the net cost to the Government would be approximately \$28,120.

for fluid use and still maintain producer status under the order for its dairy farmer members regularly associated with the market. The proposed suspension would remove the limit on such movements of milk during the months of April 1982 through August 1982.

**DATES:** Comments are due not later than April 6, 1982.

**ADDRESS:** Comments (two copies) should be filed with the Hearing Clerk, Room 1077, South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

**FOR FURTHER INFORMATION CONTACT:** Maurice M. Martin, Marketing Specialist, Dairy Division, U.S. Department of Agriculture, Washington, D.C. 20250, (202) 447-7183.

**SUPPLEMENTARY INFORMATION:** This proposed action has been reviewed under USDA procedures established to implement Executive Order 12291 and has been classified "not significant" and, therefore, not a major action.

It also has been determined that any need for suspending certain provisions of the order on an emergency basis precludes following certain review procedures set forth in Executive Order 12291. Such procedures would require that this document be submitted for review to the Office of Management and Budget at least 10 days prior to its publication in the Federal Register. However, this would not permit the completion of the required suspension procedures and the inclusion of April 1982 in the requested suspension period if this is found necessary. The request for the action was received March 19, 1982.

William T. Manley, Deputy Administrator, Agricultural Marketing Service, has determined that this proposed action would not have a significant economic impact on a substantial number of small entities. Such action would lessen the regulatory impact of the order on certain milk handlers and would tend to ensure that dairy farmers would continue to have their milk priced under the order and thereby receive the benefits that accrue from such pricing.

Notice is hereby given that, pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 *et seq.*), the suspension of the following provisions of the order regulating the handling of milk in the Lake Mead marketing area is being considered for the months of April 1982 through August 1982:

1. In § 1139.13(d)(2), the sentence "The total quantity of milk so diverted may not exceed 30 percent in the months of

March through July and 20 percent in other months of the producer milk which the association causes to be delivered to pool plants during the month".

2. In § 1139.13(d)(3), the sentence "The total quantity of milk so diverted may not exceed 30 percent in the months of March through July and 20 percent in other months of the milk received at such pool plant from producers and for which the operator of such plant is the handler during the month".

All persons who want to send written data, views, or arguments about the proposed suspension should send two copies of their views to the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, not later than April 6, 1982. The period for filing comments is limited because a longer period would not provide the time needed to complete the required procedures and include April 1982 in the suspension period.

The comments that are sent will be made available for public inspection in the Hearing Clerk's office during normal business hours (7 CFR 1.27(b)).

#### Statement of Consideration

The proposed action would remove the limit on the amount of producer milk that a cooperative association or other handlers may divert from pool plants to nonpool plants. The order now provides that a cooperative association may divert up to 30 percent of its total member milk received at all pool plants or diverted therefrom during the months of March through July and 20 percent during all other months. Similarly, the operator of a pool plant may divert up to 30 percent of its receipts of producer milk (for which the operator of such plant is the handler during the month) during the months of March through July and 20 percent during all other months.

The suspension was requested by a cooperative association that supplies the market with a substantial part of its fluid milk needs and handles all of the market's reserve milk supplies. The basis for the request is that current marketing conditions require the association to handle an increasing quantity of reserve milk supplies during April-August 1982 because of increased milk production by the market's producers. The cooperative stated that milk production by producers on the market is approximately 5 percent above last year. It indicated that this situation is aggravated by the fact that sales to its fluid outlets this year have been declining because of decreases in the market's Class I sales. Also, the cooperative stated that in February some of the milk of its members had to be depooled since the current diversion

limitations did not accommodate the current market situation.

Because of these changed marketing conditions, the cooperative expects its reserve milk supplies during April through August 1982 to exceed the quantity of producer milk that may be diverted to nonpool manufacturing plants under the order's present diversion limitations. Without the suspension, the cooperative believes that some of the milk of its member producers who have regularly supplied the fluid market would have to be moved uneconomically, first to pool plants and then to nonpool manufacturing plants, in order to continue producer status for such milk during April through August 1982.

Signed at Washington, D.C., on March 24, 1982.

William T. Manley,

Deputy Administrator, Marketing Program Operations.

(FR Doc. 82-6446 Filed 3-29-82; 2:45 am)

BILLING CODE 3410-02-41

## NUCLEAR REGULATORY COMMISSION

### 10 CFR Part 50

#### Technical Specifications for Nuclear Power Reactors

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Proposed rule.

**SUMMARY:** The Commission is proposing to change its regulations pertaining to technical specifications for nuclear power reactors. The proposed changes would reduce the volume of technical specifications that are made part of an operating license, thereby reducing the number of change requests which licensees would have to submit to the NRC. The proposed changes, if adopted, are expected to produce an improvement in the safety of nuclear power plants through more efficient use of NRC and licensee resources.

**DATE:** Comment period expires June 1, 1982. Comments received after this date will be considered if it is practical to do so, but assurance of consideration cannot be given except as to comments received on or before this date.

**ADDRESSES:** Interested persons are invited to submit written comments and suggestions to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Service Branch.

**FOR FURTHER INFORMATION CONTACT:**

Mr. D. Skovholt, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (301/492-4446).

**SUPPLEMENTARY INFORMATION:** Each license for operation of a nuclear power reactor issued by NRC contains technical specifications which set forth the specific characteristics of the facility and the conditions for its operation that are required to provide adequate protection to the health and safety of the public. Technical specifications cannot be changed by licensees without prior NRC approval.

**Background**

Before 1968, § 50.36, "Technical Specifications," of the Commission's regulation 10 CFR Part 50, required technical specifications to include "those significant design features, operating procedures, and operating limitations which (were) considered important in providing reasonable assurance that the facility (would) be constructed and operated without undue hazard to public health and safety." Technical specifications that were formulated in accordance with this regulation, as it was then written, generally contained more detailed design information than was considered to be necessary to assure safe reactor operation. These technical specifications proved to be difficult to organize, unduly restricted flexibility of reactor operation, and necessitated the processing of many changes that were not significantly related to safety.

In December 1968 the Atomic Energy Commission (AEC), predecessor of the NRC, amended its regulations in §§ 50.36 and 50.59 (33 FR 18612). Section 50.36 was amended to include a more precise definition of those categories of technical specifications that must be included in an application for an operating license. The amended regulation narrowed the scope of the material contained in technical specifications by defining five specific categories of technical specifications. The five categories defined for nuclear reactors are: (1) Safety limits and limiting safety system settings, (2) limiting conditions for operation, (3) surveillance requirements, (4) design features, and (5) administrative controls. The design information that was required to be retained included only those items which, if altered, would have a significant effect on safety. Amendments to § 50.59, among other things, clarified requirements for keeping records of design changes and defined more adequately the term "unreviewed safety question." The latter

change established criteria for allowing licensees to make certain kinds of changes, tests, and experiments (i.e., those not involving an unreviewed safety question or a change to technical specifications) without prior NRC approval. These amendments to §§ 50.36 and 50.59 (1) eliminated detailed design information from technical specifications, which in turn reduced the need for a large number of change requests, and (2) resulted in a system of technical specifications and regulations that more effectively directed the attention of both licensees' management and the NRC to matters important to safety.

As knowledge in the field of reactor safety increased, the level of complexity and detail in technical specifications also increased, and a divergence in content of technical specifications from one facility to another began to emerge. In addition, an increasing diversity of opinion between applicants and the NRC staff, as to what should be included as technical specifications, resulted in protracted discussions during the licensing process, and misapplication and misinterpretation of requirements by plant operating staffs after a license was issued.

In recognition of these difficulties, the AEC, in 1972, instituted the Standard Technical Specifications (STS) program. Sets of STS were developed for reactor types designed by each reactor manufacturer (for the latest revisions of these documents <sup>1</sup> see: NUREG-0452, Rev. 4, Fall 1981; NUREG-0123, Rev. 3, Fall 1980; NUREG-0212, Rev. 2, Fall 1980; and NUREG-0103, Rev. 4, Fall 1980 for Westinghouse, General Electric, Combustion Engineering, and Babcock and Wilcox, respectively). The STS provide applicants with model specifications to be used in formulating plant-specific technical specifications. They have served to make technical specifications for facilities licensed since 1974 more consistent with one another, and they have tended to reduce the number of disagreements between applicants and the NRC staff regarding items to be included as technical specifications.

**Current Problem**

Disagreements among parties to a recent NRC licensing proceeding (In the Matter of Portland General Electric Company, *et al.* (Trojan Nuclear Plant), ALAB-531, 9 NRC 263 (1979)), have highlighted the need to establish specific

criteria in the regulations for deciding which items derived from the safety analysis report must be included in the technical specifications incorporated in the license for a facility.

In addition, the substantial growth in both the number of items and in the detail of the requirements contained in technical specifications that has taken place since the STS were instituted indicates that more precise definitions of the existing categories of technical specifications contained in § 50.36 are needed. The Commission is concerned that the increased volume of technical specifications lessens the likelihood that licensees will focus attention on matters of more immediate importance to safe operation of the facility.

While each of the requirements in today's technical specifications plays a role in protecting public health and safety, some requirements have greater immediate importance than others in that they relate more directly to facility operation. These are the requirements that pertain to items which the facility operator must be aware of and must control to operate the facility in a safe manner. To a large extent, the relative importance of these requirements, as distinguished from those related to long-term effects or concerns, may have been diminished by the increase in the total volume of technical specification requirements.

Moreover, the increased volume and detail of technical specifications and the resultant increase in the number of proposed change requests that must be processed have increased the paperwork burden for both licensees and the NRC staff. This is because § 50.36 requires that technical specifications be included in each operating license; thus, any proposed change, regardless of its importance to safety, must be processed as a license amendment. For changes involving matters of lesser importance to safety, the processing of a license amendment with the associated increased paperwork has had no significant benefit with regard to protecting the public health and safety.

**Proposed Solution**

As a first step in attempting to resolve the difficulties associated with the current system of technical specifications for nuclear power reactors, the Commission published an Advance Notice of Proposed Rulemaking (ANPR) on July 8, 1980 (45 FR 45916), requesting comments on the desirability of changing its regulations on technical specifications to: (1) Establish a standard for deciding which

<sup>1</sup> Copies may be obtained from the Division of Technical Information and Document Control, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

items derived from the safety analysis report must be incorporated into the technical specifications for a facility; (2) modify the definitions of categories of technical specifications to focus more directly on the aspects of reactor operation that are important to the protection of the health and safety of the public; (3) define a new category of requirements that would be of lesser immediate importance to safety than technical specifications, thereby providing greater flexibility to both the NRC and licensees in processing proposed changes; and (4) establish appropriate conditions that must be met by licensees to make changes to the requirements in the new category without prior NRC approval.

Comments received in response to the ANPR were strongly in favor of a rule change to incorporate these concepts. Copies of the comments received from individuals, and a summary of all the comments received, are available for inspection and copying at the Commission's Public Document Room, 1717 H Street NW., Washington, DC 20555.

The NRC staff has considered these comments and has developed proposed changes to the regulations. The major features of these changes and the principles upon which they are based are discussed below.

### I. General Principles

In reviewing the safety analysis report for a facility, the staff reviews the methods of analyses, the underlying assumptions, and the results and conclusions of the analyses to determine if the plant has been designed so as not to present undue risk to the health and safety of the public. Some of the analyses are quantitative in nature, while others are more qualitative, but all of the analyses rely on underlying assumptions. While many of these assumptions are explicit, such as those pertaining to plant operating mode, system lineups, or specific parameters, others are more implicit such as those associated with the degradation of equipment over the life of the plant or the management control over plant operation and maintenance. The fundamental purpose of technical specifications is to define and preserve those underlying assumptions that are expected to, or could, vary with time or circumstances, throughout the life of the plant, and thus to preserve the validity of the safety analysis. The specifications address a variety of underlying

assumptions but are of six<sup>3</sup> general types:

1. Values of process variables that must be kept within certain bounds;
2. Operating state of equipment (e.g., value position) that must be maintained;
3. Operating status (or operability) of equipment that must be maintained;
4. Condition (or quality) of equipment and structures that must be maintained;
5. Physical characteristics of the plant and site that must remain fixed; and
6. Administrative controls (e.g., shift staffing, review and audit) that must be maintained.

The first three types or specifications can be thought of as defining the "bounds" of normal plant operation within which the conclusions of the safety analysis report are expected to remain valid. These first three types relate directly to the operating mode of the plant and must be under the immediate cognizance and control of the operator to maintain safe plant operation.

The fourth type concerns the condition or quality of equipment or structures, and is expected to change slowly if at all, over an extended period of time. Thus, generally, specifications of this type are not of immediate concern to the day-to-day operation of the plant, but are of long-term importance to safety.

The fifth type defines the physical characteristics of the plant and site that are not expected to change at all unless the licensee decides to alter the plant design in some way. Thus, they are not of concern to the day-to-day plant operation, but are of long-term importance to safety.

The sixth type, administrative controls, can be divided into two subtypes: one pertaining to shift staffing and responsibilities, the other pertaining to management overview and control of plant changes and operations. The former is more important to the immediate operation of the plant, while the latter is more important over the long term.

Plant functions also can be segregated in a similar way. Those that are considered of immediate importance to safety are those associated with:

1. Protecting the integrity of fission product barriers;
2. Controlling reactivity;
3. Cooling the fuel; and
4. Limiting the release of radioactive fission products following an accident.

These functions must be under the constant cognizance and control of the plant operator to assure safe plant

operation. Other functions, such as those associated with the mitigation of the effects of natural or man-made phenomena (fires, floods, earthquakes, etc.), serve to support these four functions, but are not subject to the level of operator control associated with the four function listed above.

In the Commission's view, any system of specification should (as the existing system does) properly account for all of the types of requirements discussed above, but should be organized in a manner that recognizes the different levels of importance associated with the various plant functions.

### II. Overview of Proposed New System of Specifications

The proposed changes to 10 CFR Part 50 would establish a new system of specifications divided into two general categories. The categories, which are discussed in further detail in succeeding sections, are:

1. Technical Specifications, and
2. Supplemental Specifications.

Proposed specification in both categories would be included in an application for a license (in Chapter 16 of the FSAR), and would be reviewed and approved by the staff, but only those in the category of technical specifications would be made directly part of the operating license. As in the past, prior NRC approval is required for any change to technical specifications.

Specification in the supplemental category would be documented in the FSAR and linked to the licensing document through a new license condition in § 50.54. The licensee would be allowed to make changes to the supplemental specifications within certain bounds and under prescribed conditions, without obtaining prior NRC approval. As further discussed in section II.B below, these changes would be required to be reported along with a safety evaluation for each. The NRC would review these changes and supporting documentation in the same manner as design changes, tests, and experiments are currently reviewed under 10 CFR 50.59. Any change made by a licensee that was not adequately justified could be quickly revoked upon written notification by the appropriate NRC Regional Administrator. A change to § 50.54 would be made to require that supplemental specifications documented in the FSAR must be adhered to by the licensee. Under this system, the licensee has some latitude to change the supplemental specifications, which have a lesser degree of safety significance than technical specifications. Prior NRC approval will not be necessary, and the

<sup>3</sup>The first five types are essentially those cited in ANSI/ANS-58.4-1979, "Criteria for Technical Specifications for Nuclear Power Stations."

reduced workload for the licensee and the staff will permit greater concentration on more significant matters.

This new system of specifications would be put in effect for new operating licenses issued 180 days after the effective date of the amended rule. There would be no backfit requirement for existing operating facilities, though this could be done if a licensee were to request it.

### III. Major Features of Proposed Rule

#### A. Changes to Definitions of Technical Specification Categories

1. The term technical specifications would become a category of specifications and would consist of operational specifications and principal design feature specifications.

a. *Operational Specifications.* Operational specifications would be defined (see proposed § 50.36(d)(1)) as those specification imposed upon facility operation that are necessary to assure that the facility is operated within limits and under conditions that are consistent with the assumptions in the safety analysis report regarding the value of process variables and the operating state and standby status of systems and components associated with the four safety functions identified in Section I above. This definition would establish a framework for deciding which items derived from the safety analysis report are to be included in the operational specifications. Operational specifications must be written for all normal modes of facility operation including shutdown and refueling. They would be part of the operating license and would consist of five subcategories, each of which is discussed separately below.

(i) *Safety limits.*—Safety limits would be defined (see proposed § 50.36(d)(1)(i)); the same way they are currently defined in the present system of technical specifications (in § 50.36(c)(1)); i.e., they would be limits on important process variables needed to protect the integrity of fission product barriers. If a safety limit is exceeded, the licensee must: shut down the plant; notify NRC; review the matter to determine appropriate actions to preclude recurrence; and restart the plant only after authorization is received from NRC.

(ii) *Limiting safety system settings (LSSS).* LSSS would also be defined (see proposed § 50.36(d)(1)(ii)) the same way they are currently defined in § 50.36(c)(1), that is, as settings for automatic protective devices associated with variables having significant safety

functions. These settings are to be chosen so that the automatic protective devices action will correct an abnormal situation before a safety limit is exceeded, thus preserving an essential safety function.

If an automatic protective device does not function properly, the licensee must take appropriate action, which may include plant shutdown; notify NRC; and review the matter to determine appropriate actions to preclude recurrence.

(iii) *Operational limits and conditions (OLC).* OLCs would be a newly defined subcategory, similar to the existing "limiting conditions for operation" (LCOs) defined in § 50.36(c)(2), with some important differences. OLCs would be defined (see proposed § 50.36(d)(1)(iii)) as limits on important process variables and on conditions relating to the operating state and standby status of systems and components. These limits and conditions are associated with the performance of the functions of controlling reactivity, cooling the fuel, and limiting the release of radioactive fission products following an accident. The OLC subcategory is narrower in scope than the existing LCO definition, since LCOs include items addressing virtually any equipment in the plant "required for safe operation of the facility."

When an OLC is not met, the licensee must: Shut down the plant or take specified remedial action to place the facility in a safe condition until the OLC can be met; notify NRC; and review the matter to determine appropriate actions to preclude recurrence. The present LCO definition includes plant shutdown as a required action, but it also allows (for matters of lesser importance) "any remedial action permitted by the technical specifications until the condition can be met." For LCOs in the current system that have a lower level of importance to safety (i.e., are not essential to the functions listed above), "remedial action" has often been only a reporting requirement. With the proposed system, only technical specifications with immediate importance to safety would be included as OLCs; thus, specific action to change the facility operating mode will be required when an OLC is not met.

(iv) *Check and test requirements (CTR).* Check and test requirements would be a newly defined subcategory similar to the existing surveillance requirements defined in § 50.36(c)(3), but would not include requirements relating to " . . . calibration or inspection to assure the necessary quality of systems and components is maintained . . . " These calibration or inspection

requirements would be included in the definition of facility monitoring provisions which are discussed below under supplemental specifications. Check and test requirements would be defined (see proposed § 50.36(d)(1)(iv)) as those periodic checks and tests needed to assure that operation will be within the safety limits and that the IS and OLCs are met. These are the checks and tests that are generally performed by plant operators during, or just prior to, operation to determine if process variable are within acceptable bounds and if systems and equipment are in the correct operating state or standby status. As with the current LCOs and surveillance requirements, the technical specifications would be structured to attain a one-to-one correspondence between these checks and tests and each OLC, to assure that operators keep abreast of plant status with respect to each OLC.

(v) *Operational staffing and reporting requirements (OSR).* OSR would be a newly defined subcategory which would contain a subset of the requirements currently contained in Administrative Controls as defined in § 50.36(c)(5). OSR would be defined (see proposed § 50.36(d)(1)(v)) as those items relating to shift crew composition and responsibility, as well as reporting, that are necessary to assure operation in a safe manner. These items are considered to be of immediate short-term importance to safety and thus are included in operational technical specifications and would be part of the operating license.

b. *Principal Design Feature Specifications.* Principal design feature specifications would consist of those items that are currently categorized as "design features" in the present system of technical specifications, as defined in the existing § 50.36(c)(4). They would be defined (see proposed § 50.36(d)(2)) in essentially the same way; that is, those physical characteristics of the facility which, if altered, would have a significant effect on safety and are not included in other categories of technical specifications. Principal design feature specifications identify the physical characteristics of the plant and site that may not be changed without prior NRC approval. These specifications are not considered of immediate importance to safety and therefore are not included in the Appendix A operational technical specifications; however, because of their great importance to assurance of the validity of the accident analysis, they will be made part of the facility operating license.

## 2. Supplemental Specifications.

Supplemental specifications would consist of those items needed to preserve safety analysis assumptions regarding important safety functions not included in operational technical specifications, assure that the necessary quality of systems, components, and structures is maintained, and assure effective management overview and control of facility changes and operations.

Supplemental specifications would not be made directly part of the operating license, but would be indirectly linked to the licensing document and be enforceable by regulations prescribed in § 50.54 (see proposed § 50.54(x)). Enforceability is separately discussed in subsection C below. The licensee would be allowed to make changes to supplemental specifications, within certain bounds and under prescribed conditions, without prior NRC approval. These bounds and conditions are discussed in subsection B below. Supplemental specifications would consist of three subcategories, each of which is discussed separately below:

*a. Control provisions.* Control provisions would be defined (see proposed § 50.36(e)(1)) as provisions relating to the control of variables and the operating state and standby status of systems and components associated with important safety functions not included in operational technical specifications. Examples of these functions are the mitigation of the effects of natural or man-made phenomena (fires, floods, earthquakes, etc.). This subcategory would include those specifications that are designated as LCOs in the current system but that are not essential to the four safety functions discussed earlier. The control provisions would include requirements for periodic checks and tests to assure the provisions are being met.

When a control provision is not met, the licensee must take appropriate action, which generally would be administrative in nature, such as reporting to NRC, instituting fire patrols, etc., and review the matter to preclude recurrence. Plant shutdown would not be required because items in this subcategory are not considered to be of immediate importance to safety. However, documentation of licensee review of these matters would be required to be made available on a regular basis for NRC audit.

*b. Monitoring provisions.* Monitoring provisions would be defined (see proposed § 50.36(e)(2)) as provisions relating to monitoring, inspection, testing, and calibration needed to

provide long-term assurance that the necessary quality of systems, components, and structures important to safety is maintained. The monitoring provisions would assure that the FSAR assumptions regarding the condition of equipment and structures would remain valid over the life of the plant. The monitoring provisions would contain those surveillance requirements that are performed at relatively long intervals and are directed toward determining the state of quality or condition of equipment. A large portion of these inspections, etc., are generally performed by technicians rather than by plant operators while the plant is in a shutdown or refueling mode.

When the performance of inspections or tests required by a monitoring provision reveals a defect, the licensee would be required to declare the system, component, or structure to be inoperable and take the action appropriate for that system, component, or structure as stipulated in the specification. This is no different from what would be required by the current system of technical specifications if the performance of a surveillance requirement revealed a defect.

*c. Administrative provisions.* Administrative provisions would be defined (see proposed § 50.36(e)(3)) as provisions relating to organization, recordkeeping, review and audit, and reporting necessary to assure effective management overview and control of facility changes and operations. The administrative provisions would contain those items in the current system designated as administrative controls, as defined in § 50.36(c)(5), that are not included in the operational technical specifications as operational staffing and reporting requirements. These items are important in the long term to effective management overview and control, but are not considered to be of immediate importance to the safe operation of the plant.

Administrative specifications are essential to the entire control scheme of changes to technical specifications, because they govern how other specifications can be changed. For instance, administrative specifications, rather than 10 CFR 50.59, specify that proposed changes to specifications have to be assessed carefully. Therefore, administrative specifications become especially important if, as intended, the proposed rule shifts more control from NRC to licensees, allowing them to make changes before NRC review. The NRC intends to carefully monitor changes to administrative specifications to ensure that essential administrative controls are rigorously maintained.

## B. Changes to Supplemental Specifications

The licensee would be permitted to make changes to supplemental specifications (see proposed § 50.36(f)(1)) without prior NRC approval, provided the changes do not involve a conflict with the technical specifications incorporated in the license or do not result in a decrease in their effectiveness as explicitly defined for each type of provision (see proposed § 50.36(f)(2), (3), and (4)). The rule contains tests to be applied for each type of supplemental specification. These tests are considered by the Commission to be appropriate to judge whether there is a decrease in the effectiveness of a revised specification. The licensee may change a supplemental specification only after it determines that these tests are met.

The licensee would be required to review proposed changes to supplemental specifications in the same manner as is currently required for proposed design changes by 10 CFR 50.59. And, as with § 50.59 design changes, the revised § 50.36 would require (see proposed § 50.36(f)(5)) the licensee to maintain records of changes made to the supplemental specifications which would be available for NRC audit, including a written safety evaluation which provides the basis for determining that the change does not involve a decrease in effectiveness of the provision, and to report all these changes to NRC. This would be done on a prompt basis. NRC review of these changes would be conducted in a manner similar to that of reviews of 10 CFR 50.59 changes; i.e., NRC will, by audit, ascertain that the licensee has exercised responsible and prudent judgment and that safety evaluations made by the licensee are consistent with practices used by NRC in approving issuance of a license.

In addition to the staff review of reports to assess licensee performance, the monitoring of plant operations by the NRC resident inspector will include consideration of changes to supplemental specifications. Since the licensee is required to document its basis for the change to the supplemental specification prior to effecting it, the documentation is available for the resident inspector's review whenever desired.

Changes to supplemental specifications that involve a conflict with the technical specifications incorporated in the license or a decrease in their effectiveness would require NRC

approval prior to their implementation (see proposed § 50.36(f)(8)).

#### C. Enforceability of Specifications

Under the existing system of technical specifications prescribed by § 50.36, the enforceability of specifications is assured by making them a part of the license. Under the proposed system prescribed by the proposed changes to 10 CFR Part 50, only technical specifications, as more narrowly defined, would be incorporated directly into the licensing document. Supplemental specifications would not be part of the four corners of the license as such. However, in order to link the license to the supplemental specifications, § 50.54, "Conditions of Licenses," would be modified (see proposed § 50.54(x)) to require licensees to abide by all specifications, including the supplemental specifications documented in the FSAR, as amended by changes made, and recorded and reported in accordance with the proposed § 50.36(f)(5). In addition, a provision would be added to give authority to the appropriate NRC Regional Administrator to immediately revoke any change made by a licensee to supplemental specifications that is judged not to have adequate justification. This delegation of licensing authority to the Regional Administrator will be exercised in accordance with policies and guidance developed by the Office of Nuclear Reactor Regulation. The licensee could provide additional information if it desires to further justify a change but would be required to obtain NRC approval before reinstituting the change. Additionally, changes to supplemental specifications will be subject to possible enforcement action in accordance with NRC Enforcement Policy. Changes which are inadequately reviewed, supported or justified or incorrectly implemented may result in a violation. These violations will be evaluated in the same way violations of 10 CFR 50.59 are evaluated in accordance with NRC Enforcement Policy.

#### D. Applicability of Proposed Rule

The proposed rule, if adopted, would apply to nuclear plants receiving an operating license on or after a date 180 days after the effective date of the final rule (see the proposed § 50.36 (b), (d), and (g)). Technical specifications issued before that date would not be required to be changed; however, upon request by a licensee to convert the existing technical specifications to the new scope, content and format, the NRC would take action to grant the request.

#### IV. Paperwork Reduction Act Statement

As required by Pub. L. 96-511, this proposed rule will be submitted to the Office of Management and Budget for clearance of the reporting and recordkeeping requirements.

#### V. Regulatory Flexibility Act Statement

In accordance with the Regulatory Flexibility Act of 1980, 5 U.S.C. 604(b), the Commission hereby certifies that this rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. This proposed rule affects only the licensing and operation of nuclear power plants. The companies that own these plants do not fall within the scope of the definition of "small entities" set forth in the Regulatory Flexibility Act or the Small Business Size Standards set out in regulations issued by the Small Business Administration at 13 CFR Part 21. Since these companies are dominant in their service areas, this proposed rule does not fall within the purview of the Act.

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, as amended, and section 553 of Title 5 of the United States Code, notice is hereby given that adoption of the following amendments to 10 CFR Part 50 is contemplated.

#### PART 50—DOMESTIC LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

1. The authority citation for this part reads as follows:

Authority: Secs. 103, 104, 161, 182, 183, 189, 68 Stat. 936, 937, 948, 953, 954, 955, 956, as amended (42 U.S.C. 2133, 2134, 2201, 2232, 2233, 2239); secs. 201, 202, 206, 68 Stat. 1243, 1244, 1246 (42 U.S.C. 5841, 5842, 5846), unless otherwise noted. Section 50.78 also issued under sec. 122, 68 Stat. 939 (42 U.S.C. 2152). Sections 50.80-50.81 also issued under sec. 184, 68 Stat. 954, as amended (42 U.S.C. 2234). Sections 50.100-50.102 issued under sec. 186, 68 Stat. 955 (42 U.S.C. 2236).

For the purposes of sec. 223, 68 Stat. 958, as amended (42 U.S.C. 2273), §§ 50.10 (a), (b), and (c), 50.44, 50.46, 50.48, 50.54, and 50.80 (a) are issued under sec. 161b, 68 Stat. 948, as amended (42 U.S.C. 2201(b)); §§ 50.10 (b) and (c) and 50.54 are issued under sec. 161, 68 Stat. 949, as amended (42 U.S.C. 2201(i)); and §§ 50.55(e), 50.59(b), 50.70, 50.71, 50.72, and 50.78 are issued under sec. 161o, 68 Stat. 950, as amended (42 U.S.C. 2201(o)).

2. In § 50.36, the title is revised, paragraphs (a) and (b) are revised, the introductory text of paragraph (c) is revised, paragraph (d) is revised and redesignated paragraph (g), and new paragraphs (d), (e), and (f) are added to read as follows:

#### § 50.36 Specifications.

(a) Each applicant for a license authorizing operation of a production or utilization facility shall include in its application proposed technical specifications in accordance with the requirements of this section. The technical specifications must be derived from the analyses and evaluation included in the safety analysis report, and amendments thereto, submitted under § 50.34. These specifications are described in paragraphs (c), (d), and (e) of this section. A summary statement of the bases or reasons for the specifications, other than those covering administrative controls or provisions, operational staffing and reporting requirements, must also be included in the application, but will not become part of the technical specifications.

(b) Each license authorizing operation of a production or utilization facility of type described in §§ 50.21 or 50.22 of this part will include technical specifications. For a nuclear reactor operating license issued before (180 days after the effective date of this amendment) and for a fuel reprocessing plant, the license will include technical specifications in the categories set forth in paragraph (c) of this section. For a nuclear reactor operating license issued on or after (180 days after the effective date of this amendment) the license will include technical specifications in the categories set forth in paragraphs (d) (1) and (2) of this section. The Commission may include additional technical specifications as it finds appropriate.

(c) Technical specifications for a nuclear reactor operating license issued before (180 days after the effective date of this amendment) and for a fuel reprocessing plant will include items in the following categories:

(d) Technical specifications for a nuclear reactor operating license issued on or after (180 days after the effective date of this amendment) will include items in the following categories:

(1) *Operational specifications.* Operational specifications are specifications imposed upon facility operation that are necessary to assure that the facility is operated within limits and under conditions that are consistent with the assumptions in the safety analysis report regarding the values of process variables and the operating state and standby status of systems and components that are associated with the performance of the functions of controlling reactivity, cooling the fuel, protecting the integrity of fission product barriers, and limiting the release of

radioactive fission products following an accident. Operational specifications are to be imposed on all normal modes of facility operation including shutdown and refueling and are to consist of items of the following types:

(i) *Safety limits.* Safety limits are limits upon important process variables which are found to be necessary to reasonably protect the integrity of certain of the physical barriers which guard against the uncontrolled release of radioactivity. If any safety limit is exceeded, the reactor must be shut down. The licensee shall notify the Commission, review the matter, and record the results of the review, including the cause of the condition and the basis for corrective action taken to preclude recurrence. Operation may not be resumed until authorized by the Commission.

(ii) *Limiting safety system settings.* Limiting safety system settings are settings for automatic protective devices related to those variables having significant safety functions. Where a limiting safety system setting is specified for a variable on which a safety limit has been placed, the setting must be chosen so that automatic protective action will correct the abnormal situation before a safety limit is exceeded. If, during operation, the automatic safety system does not function as required, the licensee shall take action as stipulated in the specification, which may include shutting down the reactor; notify the Commission; review the matter; and record the results of the review, including the cause of the condition and basis for corrective action taken to preclude recurrence.

(iii) *Operational limits and conditions.* Operational limits and conditions are limits on important process variables and conditions relating to the operating state and standby status of systems and components that are associated with the performance of the functions of controlling reactivity, cooling the fuel, protecting the integrity of fission product barriers, and limiting the release of radioactive fission products following an accident. When an operational limit or condition of a nuclear reactor is not met, the licensee shall shut down the reactor or follow specified remedial action, as stipulated by the specifications, to place the facility in a safe condition until the operational limit or condition can be met. The licensee shall notify the Commission, review the matter, and record the results of the review including the cause of the condition and the basis for corrective action taken to preclude recurrence.

(iv) *Check and test requirements.* Check and test requirements are requirements relating to periodic checks and tests to assure that facility operation will be within the safety limits and that the limiting safety systems settings and operational limits and conditions are met.

(v) *Operational staffing and reporting requirements.* Operational staffing and reporting requirements are requirements relating to shift crew composition and responsibility and reporting that are necessary to assure operation in a safe manner.

(2) *Principal design feature specifications.* Principal design feature specifications are specifications relating to those features of the facility, such as materials of construction and geometric arrangements, which, if altered or modified, would have a significant effect on safety and are not covered by technical specifications required by paragraph (d)(1) of this section.

(e) *Supplemental specifications.* For nuclear reactors licensed to operate in accordance with technical specifications of the type described in paragraph (d) of this section, the final safety analysis report must also include supplemental specifications. Supplemental specifications are specifications relating to monitoring, control, and administration necessary to assure that the quality of equipment, the proper operating state and standby status of important support systems, and effective management overview and control of facility changes and operations are maintained. Supplemental specifications are to consist of items of the following types:

(1) *Control Provisions.* Control provisions are provisions relating to the control of variables and the operating state and standby status of systems and components associated with important safety functions not described in paragraph (d)(1) of this section, such as the mitigation of the effects of natural or man-made phenomena. Each control provision must include periodic checks or tests to assure that the provision is being met. When a control provision is not met, the licensee shall take appropriate action as permitted by the specification. The licensee shall review the matter and record the results of the review, including the cause of the condition and basis for corrective action taken to preclude recurrence.

(2) *Monitoring Provisions.* Monitoring provisions are provisions relating to monitoring, inspection, testing, and calibration needed to provide long-term assurance that the necessary quality of systems, components, and structures

important to safety is maintained. When the results of a monitoring provision activity indicate that the necessary quality is lacking, the licensee shall declare the system, component, or structure to be inoperable and take appropriate action as permitted by the specifications.

(3) *Administrative Provisions.* Administrative provisions are provisions relating to organization, qualifications of personnel, procedures, recordkeeping, review and audit, and reporting necessary to assure effective management overview and control of facility changes and operations.

(f) *Changes to supplemental specifications.* (1) A licensee may make changes to supplemental specifications without prior Commission approval, unless the change involves: (i) A conflict with the technical specifications incorporated in the license; or (ii) a decrease in the effectiveness of the provisions of the supplemental specification.

(2) A change to a control provision is deemed to involve a decrease in the effectiveness of the provision: (i) If the controls on variables or on performance levels that define the required operating state or standby status of system and components are relaxed; or (ii) if the frequency of the periodic check or test is decreased more than is justified by the history of test results; or (iii) if the required action, in the event the provision is not met, is relaxed.

(3) A change to a monitoring provision is deemed to involve a decrease in the effectiveness of the provision: (i) If the frequency of the monitoring, inspection, testing, or calibration is decreased without a compensating change in the acceptance criterion or an increase in the sensitivity or accuracy of the method used, unless the cumulative history of test results clearly supports a reduction in frequency; or (ii) if the sensitivity or accuracy of the method used to perform the monitoring, inspection, testing, or calibration is decreased without a compensating change in the acceptance criterion or increase in the frequency of the monitoring, inspection, testing, or calibration; or (iii) if the acceptance criterion for the monitoring, inspection, testing, or calibration is relaxed without a compensating increase in the frequency, sensitivity, or accuracy of the method used.

(4) A change to an administrative provision is deemed to involve a decrease in the effectiveness of the provision: (i) If the level of management overview or control is decreased; or (ii) if the assurance of the quality of operations or of personnel is decreased;

(iii) if the usefulness of the recordkeeping in assessing matters important to safety is decreased; or (iv) if the method or timeliness of management review of changes to specifications is changed.

(5) The licensee shall maintain records of changes in the supplemental specifications made under this section. These records must include a written safety evaluation which provides the basis for the determination that the change does not involve a decrease in the effectiveness of the provisions. The records must also include an indication of review and approval by the licensee's onsite safety review organization. These records must be available for inspection at the facility before implementation of the change. Within three days of approval of a change to a supplemental specification, the licensee shall furnish to the appropriate NRC Regional Administrator shown in Appendix D of Part 20 of this chapter (with a copy to the Director of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555) a report containing a brief description of each change, including a copy of the safety evaluation. Any report submitted by a licensee under this paragraph will be made part of the public record. The records of changes made to the supplemental specifications must be maintained for a period of at least 5 years.

(6) A licensee who wants a change to the supplemental specifications that involves (i) a conflict with the technical specifications incorporated in the license; or (ii) a decrease in the effectiveness of the provisions of the specification, shall submit a proposed change, along with the basis and justification for the proposed change, for approval by the Commission prior to implementing the proposed change.

(7) A proposed change to the supplemental specifications that involves (i) a conflict with the technical specifications incorporated in the license, or (ii) a decrease in the effectiveness of the provisions of the specification, or (iii) an unreviewed safety question, shall be treated as a proposed change in the facility or procedures, as described in the safety analysis report, requiring an amendment to the license. A licensee who desires such a change shall submit an application for amendment to its license pursuant to § 50.90.

(g)(1) This section does not modify the technical specifications included in any license issued before (180 days after the effective date of this amendment). A license which does not contain technical specifications is deemed to include the

entire safety analysis report as technical specifications.

(2) At the initiative of the Commission or the licensee, any license may be amended to include technical specifications of the scope and content which would be required if a new license were being issued.

3. In § 50.54, a new paragraph (x) is added to read as follows:

#### § 50.54 Conditions of licenses.

(x) The licensee shall maintain and operate the facility in accordance with the specifications provided in § 50.36 of this part. Changes to the specifications may be made only with prior Commission approval or as prescribed in § 50.36(f) of this part. A change made by the licensee under § 50.36(f) of this part must be revoked immediately upon written notification by the appropriate NRC Regional Administrator that the justification provided for the change is inadequate. When this notification is received by the licensee, the change must not be implemented, or must be revoked if already implemented, and may not be reinstated without prior Commission approval.

Dated at Washington, D.C., this 24th day of March, 1982.

For the Nuclear Regulatory Commission.

Samuel J. Chilk,

Secretary of the Commission.

(FR Doc. 82-4515 Filed 3-29-82; 8:45 am)

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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 220

[Docket No. R-0389]

#### Credit by Brokers and Dealers; Complete Revision and Simplification of Regulation T

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Proposed rule.

**SUMMARY:** The Board is proposing to completely revise Regulation T, credit by brokers and dealers. The proposed revision is written in simplified language and incorporates structural changes proposed by the Board in June and July 1981 upon which comments were received and considered.

Two proposed changes not previously announced by the Board are also included in this revision. One will permit the purchase of a security in a cash account and the simultaneous writing of an option on the purchased security. This will primarily benefit institutions that are precluded by law

from having margin accounts. The other proposed change will expand the existing section on credit for clearing of securities to permit an option clearing corporation, under specified conditions, to accept deposits of hypothecable securities as an additional method of meeting the clearing corporation's daily margin call to clearing members.

**DATE:** Comments should be received or before June 25, 1982.

**ADDRESS:** Comments, which should be sent to Docket No. R-0389, may be mailed to the Secretary, Board of Governors of the Federal Reserve System, 20th Street Constitution Avenue, NW., Washington, D.C. 20551 or delivered to Room B-202 between 8:45 a.m. and 5:15 p.m. Comments received may also be inspected at Room B-1122 between 8 a.m. and 5:15 p.m., except as provided in § 261.6(a) of the Board's Rule Regarding Availability of Information (12 CFR 261.6(a)).

**FOR FURTHER INFORMATION:** At the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, contact: Laura Homer, Security Credit Officer or John Kelly, Attorney, Division of Banking Supervision and Regulation (202) 452-2781, or Robert Rewald, Economist, Division of Research and Statistics (202) 452-3600. At the Federal Reserve Bank of New York, contact: Mindy Silverman, Assistant Counsel, (212) 791-5032 or James McNeil, Chief, Regulations Division, (212) 791-5914.

**SUPPLEMENTARY INFORMATION:** Initial proposals. On June 24, 1981 (46 FR 32592) the Board announced its intent to reduce the regulatory burden of margin rules and rewrite them in simplified language. At the same time the Board proposed for public comment specific substantive changes in Regulation T which would:

1. Eliminate equity building device.
2. Relax the existing restrictions on the arranging of credit by investment bankers.

3. Consolidate the two bond accounts into the general margin account; and
4. Require transfers from the Special Miscellaneous Account to any highly leveraged general account.

On July 21, 1981 (46 FR 37516) the Board proposed a second set of substantive changes in Regulation T. These changes would:

1. Reduce the number of accounts and restructure them along functional lines.
2. Change the terminology in the regulation which determines the initial margin required from "maximum value/adjusted debit balance" to "margin/equity."