"AE39-2"
"PDR"

MEMORANDUM FOR: Brenda Jo. Shelton, Chief
Information and Records Management Branch
Division of Information Support Services, IRM

DEC 13 1993

FROM: Sher Bahadur, Chief
Regulation Development Branch
Division of Regulatory Applications, RES

SUBJECT: FRN AND SUPPORTING STATEMENT FOR OMB APPROVAL OF INFORMATION COLLECTION OF FINAL AMENDMENTS TO 10 CFR PART 55: "ON RENEWAL OF LICENSES AND REQUALIFICATION REQUIREMENTS FOR LICENSED OPERATORS"

Enclosed are revised Federal Register Notice and Supporting Statement for OMB approval of information collection of the subject final amendments. Based on discussions between Beth St. Mary and Tony DiPalo, the final amendments to 10 CFR Part 55 listed below should be included in the OMB package.

1. Delete Section 55.57(b)(2)(iv) requiring that each licensed operator pass an NRC-administered requalification examination during the term of his or her license.

2. Require that a facility licensee shall have a requalification program reviewed and approved by the Commission, and shall upon request consistent with the Commission's inspection program needs, submit to the Commission a copy of its comprehensive requalification written examinations or operating tests; and

3. Include "Facility Licensees" in the "Scope" of Part 55.

We have added the burden for these amendments in the enclosed revised FRN and Supporting Statement. Please forward a request to OMB for its approval of this information collection burden associated with this rulemaking.

We appreciate your assistance for prompt review of the revised packages. If you have any questions, please contact Tony DiPalo at 492-3784.

Sher Bahadur, Chief
Regulation Development Branch
Division of Regulatory Applications, RES

Enclosures:
1. FRN & Supporting Statement
2. Copy of Final Rule

Concurrence: [BSHEL.MEM] /r

Offc:	RDB:DRA	RDB:DRA	RDB:DRA
Name:	ADiPalo	RAuluck	SBahadur
Date:	11/24/93	11/25/93	12/13/93

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Enclosure 1

Federal Register Notice and

Supporting Statement

[7590-01]

U.S. NUCLEAR REGULATORY COMMISSION

Documents Containing Reporting or Recordkeeping Requirements: Office of Management and Budget (OMB) Review

AGENCY: U.S. Nuclear Regulatory Commission (NRC)

ACTION: Notice of the OMB review of information collection.

SUMMARY: The NRC has recently submitted to the OMB for review the following proposal for the collection of information under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35).

1. Type of submission, new, revision, or extension: Revision

2. The title of the information collection: Reactor Operator and Senior Reactor Operator Licensing Training and Requalification Programs.

3. The form number if applicable: N/A

4. How often the collection is required: Upon request by the NRC.

5. Who will be required or asked to report: Power and non-power reactor licensees.

6. An estimate of the number of annual responses: 8 for power reactors and 4 for non-power reactors

7. An estimate of the total number of hours needed to complete the requirement or request: 32 hours annually for power reactors (approximately 4 hours per response) and 2 hours annually for non-power reactors (approximately 0.5 hours per response). There is an overall reduction of 358 hours (3.3 hours per licensee) because licensees will no longer submit material for NRC preparation of requalification examinations.

8. An indication of whether Section 3504(h), Pub. L 96-511 applies: Not applicable

9. Abstract: The Nuclear Regulatory Commission (NRC) is amending its regulations at 10 CFR Part 55 to: (1) delete the prerequisite for license renewal that each licensed operator pass a comprehensive requalification written examination and an operating test conducted by the NRC during the term of the operator's 6-year license, (2) require facility licensees to submit upon request copies of each annual operating test or comprehensive written examination used for operator requalification to the NRC for review, and (3) amend the "Scope" provisions of the regulations pertaining to operators' licenses to include

facility licensees. This information is needed to monitor licensed operator performance and to support the Commission's inspection program. It is concluded that these amendments will result in a substantial increase in the overall protection of public health and safety. Copies of the submittal may be inspected or obtained for a fee from the NRC Public Document Room, 2120 L Street, NW (Lower Level), Washington, DC 20555.

Comments and questions should be directed to the OMB reviewer:

Troy Hillier
Office of Information and Regulatory Affairs
(3150-0018 and 3150-0101)
NEOB-3019
Office of Management and Budget
Washington, DC 20503

Comments can also be submitted by telephone at (202) 395-3084.

NRC Clearance officer is Brenda Jo. Shelton, (301) 492-8132.

Dated at Bethesda, Maryland, this _____ day of _____ 1993.

For the Nuclear Regulatory Commission.

_____
Gerald F. Cranford, Designated Senior Official
for Information Resources Management.

SUPPORTING STATEMENT
FOR
REVISION TO REACTOR OPERATOR AND SENIOR REACTOR OPERATOR LICENSING TRAINING AND REQUALIFICATION PROGRAMS

(OMB Clearance No. 3150-0101)

DESCRIPTION OF INFORMATION COLLECTION

The Nuclear Regulatory Commission (NRC) is amending its regulations to delete the requirement at § 55.57(b)(2)(iv) that each licensed operator pass a comprehensive requalification written examination and annual operating test conducted by the NRC during the term of the operator's 6-year license as a prerequisite for license renewal. The amendment at § 55.59(c) will require facility licensees to submit upon request copies of each annual operating test or comprehensive written examination used for operator requalification to the Commission for review. In addition, the final rule will amend the "Scope" provisions of the regulations pertaining to operators' licenses to include facility licensees. The burden for these changes is included in a separate clearance, "Reactor Operator and Senior Reactor Operator Licensing Training and Requalification Programs", OMB clearance number 3150-0101.

OMB approved the information collections for OMB clearance 3150-0101 on July 15, 1993, in conjunction with its review of the proposed rule, 10 CFR Part 55, " Operator Licensing." However, in the final rule, the information collections at 55.59 (c) were modified from the requirement to submit copies of all proposed examinations 30 days prior to administering them to the requirement to submit them upon NRC request, further reducing the estimated burden by 353 hours.

Currently, facility licensees assist in developing and coordinating the NRC-conducted requalification examinations. The assistance includes providing to the NRC the training material used for development of the written examinations and operating tests and providing facility personnel to work with the NRC during the development and conduct of the examinations. The final rule: (1) eliminates the regulatory burden on the facility licensees to assist the NRC in developing and conducting NRC requalification examinations for licensed operators, and (2) requires facility licensees to submit upon request copies of their requalification examinations or annual operating tests to the NRC for review.

There are 75 power reactor and 42 non-power reactor facility licensees affected by these requirements. These licensees will submit copies of comprehensive requalification written examinations or annual operating tests upon request by the NRC. This request may result from operational problems for which operator error is a major contributor; requalification inspection results indicating an ineffective licensee requalification program; or a SALP 3 rating in plant operations attributed to operator performance.

The "Requalification Examination Feedback Form" covered under OMB Clearance 3150-0159 will no longer be required after the effective date of the

final rule implementing the proposed amendments. The reason for this is that the amount of information and the frequency of its collection would no longer be sufficient to provide useful feedback.

A. JUSTIFICATION

1. Need for Collection of Information

The deletion of § 55.57(b)(2)(iv) will no longer require the NRC to conduct requalification written examinations or annual operating tests. Under this requirement, no collection of new information will occur. The resources saved can be redirected to inspect and oversee facility requalification programs to improve operational safety at each facility.

The requirement at section 55.59 (c) to submit upon request copies of requalification written comprehensive examinations or annual operating tests to the NRC will have a minimal burden on the licensees. These examinations or tests will be submitted consistent with the inspection program needs and sustained effectiveness of a licensee's examination or simulator scenario banks. Inspection findings that indicate a deterioration in the quality, diversity, or effectiveness of a licensee's examination or simulator scenario banks could prompt a request for submittal of additional examinations for NRC review.

2. Agency Use of Information

The new information required by the proposed § 55.59(c) (i.e., submit upon request copies of each comprehensive requalification written examination or annual operating test) will be used to determine if the facility licensees' requalification examinations conform with § § 55.59(a)(2)(i) & (ii) and the need for any further action.

3. Reduction of Burden Through Information Technology

There is no legal obstacle to the use of information technology. Moreover, NRC encourages its use.

4. Effort to Identify Duplication

This information does not duplicate nor overlap other information collections made by the NRC or other government agencies. The information requested is unique to the organization and is of importance only to the NRC. The Information Requirements Control Automated System (IRCAS) was searched for duplication, and none was found.

5. Effort to Use Similar Information

This information is available only from the facility.

6. Effort to Reduce Small Business Burden

This information collection does not involve any small businesses.

7. Consequences of Less Frequent Collection

On a case by case basis, copies of facility comprehensive requalification written examinations or annual operating tests may be required to be submitted upon request to the NRC for review to assure that the examinations and tests are comprehensive and meet the requirements of § § 55.59(a)(2)(i) & (ii). The basis for these submissions will be "for cause" only, which could result for example, from a SALP category 3 rating, or for operational problems for which operator error is a major contributor. In all cases it is intended that this requirement would assure that the NRC would continue to meet the requirements of Section 306 of the Nuclear Waste Policy Act (NWPA) of 1982 for NRC administration of requalification examinations. It would also assure the NRC that licensed operators are being adequately trained and examined in the facility licensee requalification programs.

8. Circumstances Which Justify Variations from OMB Guidelines

This request does not vary from OMB guidelines.

9. Consultations Outside the NRC

There have been no formal consultations outside the NRC. The proposed rule was published for public comment on May 20,1993, and comments were considered in the preparation of the final rule.

10. Confidentiality of Information

The information is not available for public inspection. Some information is proprietary in nature.

11. Justification for Sensitive Questions

No sensitive information is requested.

12. Estimated Annualized Cost to the Federal Government

NRC review of written examination and operating tests:*

Licensees Affected		Hours per Licensee	Total Burden	Government Cost at $132/Hr
Power Reactor:	8	32	256	$ 33,792
Non-power:	4	16	64	$ 8,448
Totals (annualized):			320	$42,240

This cost is fully recovered through fee assessments to the NRC licensees pursuant to 10 CFR Part 171. Final cost represents a savings of about $975,000 when compared to the current cost to the Government to administer requalification examinations.

13. Estimate of Industry Burden and Cost

Submittal of written examination and operating tests:*

Licensees Affected		Hours per Licensee	Total Burden	Licensee Cost at $132/Hr
Power Reactor:	8	4	32	$ 4,224
Non-power:	4	0.5	2	$ 264

Copying and mailing costs for these eight power reactor licensees: $ 800 (at $100 per licensee).

Copying and mailing costs for these four non-power reactor licensees: $ 40 (at $10 per licensee). Overall copying and mailing costs will be reduced by approximately $12,000 because licensees will no longer be required to prepare and submit requalification examination materials for the NRC.

TOTAL LICENSEE COST: $ 5,328

The above estimates represent the burden for those licensees who will submit their exams to NRC. Overall, the burden to the licensees will be reduced by 358 hours (approximately 3.3 hours per licensee) because these licensees will no longer be required to submit material to the NRC for NRC preparation of examinations. It is also expected that few licensees will be requested to submit their examinations for review.

* Assumes that on average, the staff will review written examinations and/or operating tests for 8 power reactors and 4 non-power reactor licensees annually because of unsatisfactory requalification program inspection results.

14. Reasons for Change in Burden

The change in burden for implementation of the amendments to delete 10 CFR 55.57(b)(2)(iv) and to submit copies upon request of the requalification written examination and annual operating test will significantly reduce the burden hours on the licensee and NRC. This reduction in burden hours on the NRC will allow its resources to be redirected toward oversight and inspection of facility requalification programs. This action will improve operational safety at the facilities.

15. Publications for Statistical Use

This information is not published for statistical use.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used in this information collection.

14. Reasons for Change in Burden

The change in burden for implementation of the amendments to delete 10 CFR 55.57(b)(2)(iv) and to submit copies upon request of the requalification written examination and annual operating test will significantly reduce the burden hours on the licensee and NRC. This reduction in burden hours on the NRC will allow its resources to be redirected toward oversight and inspection of facility requalification programs. This action will improve operational safety at the facilities.

15. Publications for Statistical Use

This information is not published for statistical use.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used in this information collection.

DOCUMENT: FRN AND SUPPORTING STATEMEMT SUPP.55

AUTHOR: DIPALO

REVISED: 11/23/93
jw
12:30 pm

Enclosure 2

Copy of Final Rule

Enclosure 2

Copy of Final Rule

[7590-01]

NUCLEAR REGULATORY COMMISSION

10 CFR Part 55

RIN-3150-AE39

RENEWAL OF LICENSES

AND REQUALIFICATION REQUIREMENTS FOR LICENSED OPERATORS

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Nuclear Regulatory Commission (NRC) is amending its regulations to delete the requirement that each licensed operator at power, test, and research reactors pass a comprehensive requalification written examination and an operating test conducted by the NRC during the term of the operator's 6-year license as a prerequisite for license renewal. The final rule requires that facility licensees shall have a requalification program reviewed and approved by the Commission and shall, upon request consistent with the Commission's inspection program needs, submit to the Commission a copy of its annual operating tests or comprehensive written examinations used for operator requalification for review by the Commission. In addition, the final rule amends the "Scope" provisions of the regulations pertaining to operators' licenses to include facility licensees. The amendments will improve operational safety at each facility by redirecting NRC resources to administer the requalification program by inspecting and overseeing facility

requalification programs rather than conducting requalification examinations. This, in turn, will reduce both licensee and NRC costs related to the program.

EFFECTIVE DATE: (30 days after publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Anthony DiPalo, Office of Nuclear Regulatory Research, telephone: (301) 492-3784, or Frank Collins, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone (301) 504-3173.

SUPPLEMENTARY INFORMATION:

Background

Section 306 of the Nuclear Waste Policy Act (NWPA) of 1982 authorized and directed the NRC "to promulgate regulations, or other appropriate Commission regulatory guidance, for the training and qualifications of civilian nuclear power plant operators, supervisors, technicians and other appropriate operating personnel." The regulations or guidance were to "establish simulator training requirements for applicants for civilian nuclear power plant operator licenses and for operator requalification programs; requirements governing NRC administration of requalification examinations; requirements for operating tests at civilian nuclear power plant simulators, and instructional requirements for civilian nuclear power plant licensee personnel training programs." On March 25, 1987 (52 FR 9453), the Commission accomplished the objectives of the NWPA that were related to licensed

operators by publishing a final rule in the Federal Register that amended 10 CFR Part 55 and became effective May 26, 1987. The amendment revised the licensed operator requalification program by establishing (1) simulator training requirements, (2) requirements for operating tests at simulators, and (3) instructional requirements for the program (formerly Appendix A to 10 CFR Part 55). The final rule also stipulated that in lieu of the Commission accepting certification by the facility licensee that the licensee has passed written examinations and operating tests given by the facility licensee within its Commission approved program developed by using a systems approach to training (SAT), the Commission may give a comprehensive requalification written examination and an annual operating test. In addition, the amended regulations required each licensed operator to pass a comprehensive requalification written examination and an operating test conducted by the NRC during the term of the operator's 6-year license as a prerequisite for license renewal.

Following the 1987 amendment to Part 55, the NRC began conducting operator requalification examinations for the purpose of license renewal. As a result of conducting these examinations, the NRC determined that the existing regulations have established a high standard of licensee performance and that the NRC examiners were largely duplicating tasks that were already required of, and routinely performed by, the facility licensees.

The NRC revised its requalification examination procedures in 1988 to focus on performance-based evaluation criteria that closely paralleled the training and evaluation process used for a SAT based training program. This revision to the NRC requalification examination process enabled the NRC to conduct comprehensive examinations for the purpose of renewing an individual's

license and, at the same time, use the results of the examinations to determine the adequacy of the facility licensee's requalification training program.

Since the NRC began conducting its requalification examination program, the facility program and individual pass rates have improved from 81 to 90 percent and from 83 to 91 percent, respectively, through fiscal year 1991. The NRC has also observed a general improvement in the quality of the facility licensees' testing materials and in the performance of their operating test evaluators. Of the first 79 program evaluations conducted, 10 programs were evaluated as unsatisfactory. The NRC issued Information Notice No. 90-54, "Summary of Requalification Program Deficiencies," dated August 28, 1990, to describe the technical deficiencies that contributed to the first 10 program failures. Since that time only 6 programs, of 120 subsequent program evaluations, have been evaluated as unsatisfactory.

Pilot requalification examinations were conducted during the period August through December 1991. The pilot test procedure directed the NRC examiners to focus on the evaluation of crews, rather than individuals, in the simulator portion of the operating test. In conducting the pilot examinations, the NRC examiners and the facility evaluators independently evaluated the crews and compared their results. The results were found to be in agreement. Furthermore, the NRC examiners noted that the facility evaluators were competent at evaluating crews and individuals and were aggressive in finding deficiencies and recommending remedial training for operators who exhibited weaknesses. The performance of the facilities' evaluators during the pilot examinations further confirmed that the facility licensees can find deficiencies, provide remedial training, and retest their

licensed operators appropriately.

In June 1992, the Commission agreed with the staff to proceed with initiation of rulemaking to eliminate the requirement for each licensed operator to pass a comprehensive requalification written examination and operating test administered by the Commission during the term of the operator's 6-year license. On December 28, 1992, oroposed amendments to 10 CFR Part 55 on renewal of licensees and requalification requirements for licensed operators were submitted to the Commission for approval.

On May 20, 1993 (58 FR 29366), the Commission published a proposed rule in the Federal Register to amend 10 CFR Part 55. The proposed amendments were to:

1. Delete the requirement that each licensed operator pass an NRC-administered requalification examination during the term of his or her license.

2. Require that facility licensees submit to the NRC their annual requalification operating tests and comprehensive requalification written examinations at least 30 days prior to the conduct of these tests and examinations.

3. Include "Facility Licensees" in the "Scope" of Part 55.

The period for public comment on the proposed amendments ended on July 20, 1993.

Summary of Public Comments

The NRC received 42 comments on the proposed rule. Based on analysis of these comments, several changes have been made in the final rule. A summary of the public comments and, where appropriate, a description of the

changes that resulted from them is discussed for each of the proposed amendments to 10 CFR Part 55.

1. Proposed Amendment: Delete the requirement that each licensed operator pass an NRC-administered requalification examination during the term of a licensed operator's 6-year license.

General Statement: Of the 42 comments received, 36 favored this proposed amendment and 6 opposed its adoption. Most of the respondents who favored the proposed change based their support on the expectation that this change would reduce the regulatory burden on licensees and would improve operational safety at nuclear facilities. One respondent indicated that while the NRC's involvement has had a positive impact on the content and conduct of license requalification, utilities have proven their ability to develop and administrator requalification examinations that meet the requirements of 10 CFR 55.59(a)(2)(iii). Another respondent representing the utility industry stated that, "We believe the performance-based inspection process will be an effective means for ensuring high quality operator requalification programs." This respondent further stated, "The proposed rule change will also afford better operating crew continuity. Because personnel changes occur over time, operating crews may be configured with individuals who have or have not had an NRC administered exam. In the past, it has been a common practice to reconfigure crews to accommodate the NRC administered requalification examination by putting together individuals whose 6 years is about to end. Use of this practice to facilitate the conduct of requalification exams may not be in the best interest of crew coordination and teamwork."

The six comments in opposition to the proposed change to delete the NRC-conducted requalification examination varied in content. For example, two

public citizen respondents were against a rule change of any kind on the basis it would give the public the perception that the NRC's authority over the operation of power and non-power reactor plants would be weakened. Two respondents, one representing a State public service department with oversight of a nuclear power plant and a second representing a State nuclear safety department, urged that from a defense-in-depth standpoint to reactor safety the proposed rule should be reconsidered. The State of Vermont, in two separate comments, indicated that it was because of the current regulation that the NRC was able to detect the unsatisfactory requalification program at Vermont Yankee and identify corrective actions to ensure safety of the plant. The State of Illinois contended that the current regulations provided incentive for licensees to maintain quality operator training programs and that the likelihood of further improving or even maintaining that quality without the periodic independent involvement by the NRC is unlikely. The State of Illinois recommended a combination of routine NRC inspections of crew examinations on a plant simulator and a periodic independent test administered simultaneously to all licensed operators every 6 years. Finally, one respondent was opposed to this amendment, especially its application to test and research reactors and suggested the existing rule be deleted because the regulatory analysis for the 1987 rule stated that the rule would not apply to non-power reactors (NPR). This same respondent believed it important to maintain NRC staff competence in relation to NPR operator licensing and felt this could be accomplished by maintaining a nucleus of specialized qualified personnel, either as part of or in conjunction with the NPR directorate, and through specialized training and administration of initial examinations, which occur rather frequently.

Response: After reviewing the six comments opposing the proposed regulation, the Commission has concluded that the basis for this requirement remains sound and that it should be adopted. This determination is based on the following considerations:

(i) The NRC believes that since the beginning of the requalification program, experience indicates that weaknesses in implementation of facility licensee's programs are generally the root cause of deficiencies in the performance of operators.

(ii) The NRC believes if its resources were directed towards inspection and oversight of facility licensee's requalification programs rather than continuing to conduct individual operator requalification examinations, the operational safety at each facility will continue to be ensured and in fact, will be improved. A routine inspection frequency of once per SALP cycle will ensure consistency between inspection scheduling and licensee performance. A minimum inspection frequency of at least once every 2 years will ensure active NRC oversight of facility licensee's requalification programs.

(iii) The NRC believes that the facility requalification programs have been demonstrated to be basically sound during the pilot examinations. Given the broad range of possible approaches built into the inspection process, the NRC would only conduct examinations when they are the most effective tool to evaluate and understand the programmatic issues, or if the NRC loses confidence in the facility licensee's ability to conduct its own examinations.

Examples which could result in a regional management decision for a "for cause" requalification examination include:

a. Requalification inspection results which indicate an ineffective licensee requalification program;

b. Operational problems for which operator error is a major contributor;

c. A SALP Category 3 rating in plant operations attributed to operator performance; and

d. Allegations regarding significant training program deficiencies.

When conditions such as these exist, the NRC may initiate planning to conduct requalification examinations during the next annual examination cycle scheduled by the facility.

Regarding the comments from the State of Vermont, the proposed inspection program includes reviews, observations, and parallel grading of selected operating tests and written examinations by NRC examiners, reviews of operational performance, interviews of facility personnel, and a general inspection of the facility licensee's implementation of its requalification training program. Application of the inspection program in the case of Vermont Yankee would have disclosed discrepancies in evaluation of operator performance and also would have allowed insight to other, more programmatic, deficiencies. The requalification inspection program implements routine NRC inspections as recommended by the State of Illinois as well as "for cause" examinations.

The Commission believes the existing regulation should not be deleted in the case of non-power reactors, as recommended in the public comments. A continuing need exists for the regulation to apply to operators of all types of reactors. The proposed amendment will continue to ensure operational safety at non-power reactors by inspecting facility requalification programs rather than conducting requalification examinations. The NRC will maintain examiner proficiency by conducting examinations for initial license

applicants.

2. Proposed Amendment: Require that facility licensees submit to the NRC their annual requalification operating tests and comprehensive requalification written examinations at least 30 days prior to conducting these tests and examinations.

General Statement: Of the 42 comments received, only 1 respondent favored the amendment as proposed. This response came from a universi operated research reactor, stating that submitting requalification examinations by the facility to the NRC for review prior to administering th examination was less burdensome, by comparison, than retaining the existing regulation. On the other hand, most respondents stated that submitting all examinations and tests to the NRC 30 days before their administration would place an undue burden on facility licensees and the NRC with little return on the investment. Several respondents offered alternatives that included shortening the lead time, requiring that the examinations and tests be submitted after they are administered, submitting the question banks from which the examinations are developed, and simply having the examinations available for on-site inspection.

Response: This requirement was included in the proposed regulation so that the NRC could evaluate the proposed examination materials, in conjunction with other information already available to the NRC, to determine the scope of the on-site inspection. However, the pilot inspection program has demonstrated that a facility's proposed examinations are not an absolute necessity in preparing for the on-site activities. In addition, those facility licensees' examination and simulator scenario banks that were evaluated were found to be adequate for an effective requalification program

to be managed by the licensees' staffs. Although being able to review the proposed examinations at the NRC did save some on-site inspection effort, the inspectors were still able to complete the Temporary Inspection procedures within the time allowed (i.e., two inspectors on-site for 1 week).

The NRC believes that it will be advantageous to have selected examinations (which may include proposed examinations) available for review at NRC offices in addition to other documentation customarily provided, consistent with the Commission's inspection program needs to prepare for the on-site portion of the inspection. Therefore, the NRC will delete the amendment to § 55.59(c) as proposed from the final rulemaking and will require instead that comprehensive written examinations or operating tests be submitted upon request consistent with the Commission's inspection program needs and sustained effectiveness of the facility licensee's examination and simulator scenario banks.

3. Proposed Amendment: Include facility licensees in the scope of 10 CFR 55, specifically § 55.2, will be revised to include facility licensees.

General Statement: Only 1 of the 42 respondents to the FRN addressed and endorsed this provision of the proposed rulemaking.

Response: The NRC believes the absence of comments regarding this proposal substantiates the NRC's position that this is simply an administrative correction and does not materially change the intent of the regulation. The NRC considers this amendment as an administrative addition to these regulations. The NRC proposed this change to eliminate the ambiguities between the regulations of Parts 50 and 55. Section 50.54(i) through (m) already imposes Part 55 requirements on facility licensees, and Part 55

already specifies requirements for facility licensees. On this basis, the NRC has determined that the requirement should be adopted.

Finding of No Significant Environmental Impact: Availability

The Commission has determined that under the National Environmental Policy Act of 1969, as amended, and the Commission's regulations in Subpart A of 10 CFR Part 51, that this rule is not a major Federal Action significantly affecting the quality of the human environment and therefore, an environmental impact statement is not required.

Paperwork Reduction Act Statement

This final rule amends information collection requirements that are subject to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.). These requirements were approved by the Office of Management and Budget, approval number 3150-0101.

The rule will relax existing information collection requirements for the separately cleared, "Reactor Operator and Senior Reactor Operator Licensing Training and Requalification Programs." The public burden for this collection of information is expected to be reduced by 3 hours per licensee. This reduction includes the time required for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. Send comments regarding the estimated burden reduction or any other aspect of this

collection of information, including suggestions for reducing this burden, to the Information and Records Management Branch (MNBB-7714), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-3019, (3150-0101), Office of Management and Budget, Washington, DC 20503.

Regulatory Analysis

The Commission has prepared a regulatory analysis on this regulation. The analysis examines the values (benefits) and impacts (costs) of implementing the regulation for licensed operator requalification. The analysis is available for inspection in the NRC Public Document Room, 2120 L Street, NW (Lower Level), Washington, DC. Single copies of the analysis may be obtained from Anthony DiPalo, Division of Regulatory Applications, Office of Nuclear Regulatory Research, U. S. Nuclear Regulatory Commission, Washington, DC 20555, telephone (301) 492-3784.

Regulatory Flexibility Certification

As required by the Regulatory Flexibility Act of 1980, 5 U.S.C. 605(b), the Commission certifies that this rule will not have a significant economic impact upon a substantial number of small entities. This rule primarily affects the companies that own and operate light-water nuclear power reactors and non-power research reactors. The companies that own and operate these reactors do not fall within the scope of the definition of "small entity" set forth in the Regulatory Flexibility Act or the Small Business Size Standards

set out in regulations issued by the Small Business Administration in 13 CFR Part 121.

Backfit Analysis

The staff believes that it could ensure and improve operational safety at each facility by directing its resources to inspect and oversee facility requalification programs rather than conducting requalification examinations. The staff's experience since the beginning of the requalification program indicates that weaknesses in the implementation of the facility programs are generally the root cause of significant deficiencies in the performance of licensed operators. The staff could more effectively allocate its resources to perform on-site inspections of facility requalification examination and training programs in accordance with indicated programmatic performance rather than scheduling examiners in accordance with the number of individuals requiring license renewal. By re-directing the examiner resources, the staff expects to find and correct programmatic weaknesses earlier, and thus improve operational safety.

Currently, facility licensees assist in developing and coordinating the NRC-conducted requalification examinations. The assistance includes providing to the NRC the training material used for development of the written examinations and operating tests and providing facility personnel to work with the NRC during the development and conduct of the examinations. The Commission has concluded on the basis of the analysis required by 10 CFR Part 50.109, that complying with the requirements of this final rule would reduce the regulatory burden on the facility licensees by reducing the effort

expended by the facility licensees to assist the NRC in developing and conducting NRC requalification examinations for licensed operators. A smaller increase in regulatory burden is anticipated due to a need for the facility licensee to provide data and support for periodic requalification program inspections.

As part of the final rule, facility licensees shall have a requalification program reviewed and approved by the Commission and shall, upon request consistent with the Commission's inspection program needs, submit a copy of its comprehensive written examinations or annual operating tests to the Commission. The NRC has determined that the pilot inspection program demonstrated that the facility's proposed examinations are not an absolute necessity in preparing for the on-site activities. Therefore, the NRC would request test submittal on a case-by-case basis consistent with the Commission's test inspection program needs and review these examinations for conformance with 10 CFR 55.59(a)(2)(iii). The NRC would continue to expect each facility to meet all of the conditions required of a requalification program in accordance with 10 CFR 55.59(c).

Licensed operators would not have to take any additional actions. Each operator would be expected to continue to meet all the conditions of his or her license described in 10 CFR 55.53, which includes passing the facility requalification examinations for license renewal. Each licensed operator would be expected to continue to meet the requirements of the facility requalification training program. However, the licensed operator would no longer be required to pass a requalification examination conducted by the NRC during the term of his or her license in addition to passing the facility licensee's requalification examinations, as a condition of license renewal.

The "Scope" of Part 55, 10 CFR 55.2, would be revised to include facility licensees This is an administrative addition to these regulations. It eliminates currently existing ambiguities between the regulations of Parts 50 and 55. Part 50, in §50.54(i) through (m), already imposes Part 55 requirements on facility licensees, and Part 55 already specifies requirements for facility licensees.

The Commission believes that licensed operators are one of the main components and possibly the most critical component of continued safe reactor operation, especially with respect to mitigating the consequences of emergency conditions. Two-thirds of the requalification programs that have been evaluated as "unsatisfactory" had significant problems in the quality or implementation of the plant's emergency operating procedures (EOPs). In some of these cases, the facility licensees did not train their operators on challenging simulator scenarios or did not retrain their operators after the EOPs were revised. The Commission believes that it could have identified these problems sooner by periodic inspection of facility requalification training and examination programs. Facility licensees could have then corrected these problems and improved overall operator job performance sooner.

This final rule will improve operational safety by providing the staff direction to find and correct weaknesses in facility licensee requalification programs. The experience gained from conducting NRC requalification examinations indicates that the NRC is largely duplicating the efforts of the facility licensees to maintain a high standard of operator performance. The NRC could now, by amending the regulations, more effectively use its resources to oversee facility licensee requalification programs rather than conducting individual operator requalification examinations. In FY92 the NRC resources

committed to this program for NRC staff and contractor support were approximately 12 FTE and $1.3 million (equivalent to 8 FTE), respectively. The staff projects that a slightly larger average number of examinations, requiring approximately 1.5 additional staff FTE and an additional $200,000 contractual support (equivalent to 1.25 FTE), would be conducted in future years if the NRC continues conducting requalification examinations for all licensed operators. Thus, if it is assumed that without the rule change, this program would continue into the future, the relevant baseline NRC burden would approximate $2.85 (1.35 NRC + 1.5 contractor) million per year in 1992 dollars for FY93 through FY97. The 13.5 (12 + 1.5) NRC staff years (FTE) were converted to $1.35 million ($100,000 per staff year) based on allowances for composite wage rates and direct benefits.[1]

Under the final rule change, NRR's analysis indicates that NRC staff could perform all necessary inspections of requalification exam programs with 11 NRC FTEs and $300,000 in contractor support, equivalent to 1.85 contractor FTEs, per year. At $100,000 per NRC FTE and $162,000 per contractor FTE, this converts to an annual cost in 1992 dollars of $1.4 million. Thus, the annual savings in NRC operating costs is estimated to be on the order of $1.45 million ($2.85 million less $1.4 million). Over an assumed 25-year remaining life, based on a 5% real discount rate, the 1992 present worth

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[1]NRC labor costs presented here differ from those developed under the NRC's license fee recovery program. For regulatory analysis purposes, labor costs are developed under strict incremental cost principles wherein only variable costs that are directly related to the development, implementation, and operation and maintenance of the proposed requirement are included. This approach is consistent with guidance set forth in NUREG/CR-3568, "A Handbook for Value Impact Assessment," and general cost benefit methodology. Alternatively, NRC labor costs for fee recovery purposes are appropriately designed for full cost recovery of the services rendered and, as such, include non-incremental costs (e.g. overhead and administrative and logistical support costs).

savings in NRC resources is estimated at about $20.25 million in 1992 dollars.

Each facility licensee would continue in its present manner of conducting its licensed operator requalification program. However, this final rule reduces the burden on the facility licensees because each facility licensee would have its administrative and technical staff expend fewer hours than are now needed to assist in developing and conducting the NRC requalification examinations. Facility licensees are expected to realize a combined annual operational cost savings of approximately $1.24 million. Over an assumed 25-year remaining life, based on a 5% real discount rate, the 1992 present worth industry savings is estimated at about $17.48 million in 1992 dollars.

In summary, the final rule will result in improved operational safety by providing more timely identification of weaknesses in facility licensees' requalification programs. In addition, the final rule would also reduce the resources expended by both the NRC and the licensees. The Commission has, therefore, concluded that the final rule meets the requirements of 10 CFR 50.109, that there would be a substantial increase in the overall protection of public health and safety and the cost of implementation is justified.

List of Subjects 10 CFR Part 55

Criminal penalty, Manpower training programs, Nuclear power plants and reactors, Reporting and record-keeping requirements.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974,

as amended; the Nuclear Waste Policy Act of 1982; and 5 U.S.C. 552 and 553; the NRC is adopting the following amendments to 10 CFR Part 55 as follows:

PART 55 - OPERATORS' LICENSES

1. The authority citation for 10 CFR Part 55 continues to read as follows:

AUTHORITY: Secs. 107, 161, 182, 68 Stat. 939, 948, 953, as amended, sec. 234, 83 Stat. 444, as amended (42 U.S.C. 2137, 2201, 2232, 2282); secs. 201, as amended, 202, 88 Stat. 1242, as amended, 1244 (42 U.S.C. 5841, 5842).

§s 55.41, 55.43, 55.45, and 55.59 also issued under sec. 306, Pub. L. 97-425, 96 Stat. 2262 (42 U.S.C. 10226). § 55.61 also issued under secs. 186, 187, 68 Stat. 955 (42 U.S.C. 2236, 2237).

2. In § 55.2, paragraph (c) is added to read as follows:

§ 55.2 Scope

* * * * *

(c) Any facility licensee.

§ 55.57 [Amended]

3. § 55.57(b)(2)(iv) is amended by removing paragraph (b)(2)(iv).

4. In § 55.59 the introductory text of paragraph (c) is revised to read as follows:

§ 55.59 Requalification

* * * * *

(c) *Requalification program requirements.* A facility licensee shall have a requalification program reviewed and approved by the Commission and shall, upon request consistent with the Commission's inspection program needs,

submit to the Commission a copy of its comprehensive requalification written examinations or annual operating tests. The requalification program must meet the requirements of paragraphs (c)(1) through (7) of this section. In lieu of paragraphs (c)(2), (3), and (4) of this section, the Commission may approve a program developed by using a systems approach to training.

* * * * *

Dated at Rockville, Maryland, this ____ day of _____ 1993.

For the Nuclear Regulatory Commission.

_____
Samuel J. Chilk,
Secretary of the Commission.

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LONG DISPLAY: Operators' Licenses

CREATED:

AUTHOR: A. DiPalo

REVISED:	7/29/93	7/30/93	7/30/93	8/5/93	8/12/93
TYPIST:	jw	jw	jw	jw	jw
TIME:	2:30pm	11:30am	5:30pm	2:45 pm	10:10am
	8/16/93	9/1/93	10/1/93	10/4/93	11/5/93
	jw	jw	jw	jw	jw
	9:45 am	2:10pm	5:30pm	1:50pm	10:30am

[7590-01]

NUCLEAR REGULATORY COMMISSION
10 CFR Part 55
RIN-AE 39
Operators' Licenses

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Nuclear Regulatory Commission (NRC) is proposing to amend its regulations to delete the requirement that each licensed operator pass a comprehensive requalification written examination and an operating test conducted by the NRC during the term of the operator's 6-year license as a condition for license renewal.